# The emergence of giving circles and their relationships with nonprofit organisations: A case study

**Lesley Ann Ray**
GradCert (Philanthropy&NpSt)

Supervisors: Dr Wendy Scaife and Professor Myles McGregor-Lowndes

Submitted in fulfilment of the requirements for the degree of

Master of Business (Research)

Australian Centre for Philanthropy and Nonprofit Studies

School of Accountancy

QUT Business School

Queensland University of Technology

2013

# Keywords

Charity, collective giving, community partners, donors, donor-centred, donor-control, fundraising, giving circles, nonprofits, philanthropy.

# Abstract

Giving circles are emerging around the world as one form of the 'new philanthropy' – giving that embraces accountability and entrepreneurship, is guided by individuals, is highly participatory and engages donors with the organisations they support. Giving circles vary in structure, size and foci and the literature suggests they generally have five major dimensions: (1) individual members pool and give away resources, (2) members are educated about philanthropy and issues in the community, (3) they include a social dimension, (4) they engage members, and (5) they maintain their independence from nonprofit organisations.

Drawing from and seeking to build on the emergent discipline of philanthropic psychology, as well as considering elements of both the academic and practice-based literature on philanthropy and fundraising marketing that pertain to donor behaviour, this thesis seeks to explore the relationships that exist between giving circle members and the nonprofit organisations they support. As giving circles continue to flourish around the world, and arguably seek to be engaged with nonprofits in a way that nonprofits have not been accustomed to previously, it is important for nonprofit professionals to understand the behaviours and determinants of giving of donors of the 'new philanthropy'.

Critical to understanding the relationships between giving circles and nonprofit organisations is uncovering the range of experiences between them and how they might best work together to achieve donors' needs, alongside meeting the organisational mission. This thesis extends the body of knowledge of what is currently known in the literature about giving circles, as one of the new giving modes of the 'new philanthropy'. Research on giving circles to date has primarily focussed on the giving circle landscape, impacts on donor-members and the start-up of giving

circles; alongside one body of research in 2007, in which nonprofit representatives were studied to understand their relationships with giving circles, this thesis is the only other academic research on giving circles that includes the perspective of nonprofit organisations.

At a scholarly level, this thesis supports the majority of the findings from Eikenberry's 2007 research and adds to the momentum towards a different type of giver – the new philanthropist – who is not only giving as an individual, but also acting within the context of the group. For fundraising professionals, this thesis has many practical implications as they seek to either extend or confirm their current knowledge and practice in how they work with and develop meaningful relationships with donors who are highly engaged and hands-on in their philanthropy. And finally, giving circles members will find this thesis a useful resource as they continue in their philanthropy and desire to have positive and rewarding relationships with the nonprofits they support.

Beginning with the developing discipline of philanthropic psychology, that is, what motivates donors to give, I then seek to understand the changing behaviours of donors in their philanthropic support to organisations and the relationships they wish to have with nonprofits. In addressing the little-explored phenomenon – giving circles – this thesis poses the question of 'what are the relationships between giving circle members and the nonprofit organisations they support?' To consider this topic, this thesis asks 'what are the range of stakeholder experiences of giving circles and nonprofits working together?' and 'how best might giving circles and nonprofits work together?' To investigate the relationships that exist between a giving circle and the nonprofit organisations it supports, a case study has been undertaken focusing on Impact Austin, a formal giving circle operating in Austin, Texas, United

States. Embedded case studies of nonprofit organisations that had received funding from Impact Austin provide insights to nonprofit experiences with the giving circle phenomenon. This thesis reports the findings from interviews with members of Impact Austin and representatives from nonprofit organisations.

The findings from the giving circle member perspective reveal four definite themes: the motivations of members of Impact Austin to join the giving circle, the rigour of their grantmaking processes, the relationships they have and expect with nonprofit organisations and the 'Beyond Impact' Austin campaign (a fundraising campaign which commenced in 2012 to support the giving circle's operating expenses). Findings from the nonprofit viewpoint stress: the high value of receiving funding from Impact Austin, the issues and benefits in engaging with Impact Austin members, the costs and benefits of the disciplined and rigorous process, and what they would ideally like to see as the future funding direction of the giving circle. The findings are rich in detail and offer a considered and personal account of the experience of each of the stakeholders.

Overall, this thesis highlights that the relationships that exist between Impact Austin and the nonprofit organisations it supports are valued and respected. While the findings reveal that Impact Austin's expectations of the nonprofit organisations are of a stringent standard of accountability, as a funder it is also supportive and encouraging of the nonprofits. Nonprofit organisations disclose their views on the rigorous processes involved in applying for and being awarded a grant from Impact Austin, but also the benefits that accrue from the grant – many of which gave their organisation a higher level of visibility in their community and afforded them the coveted 'Impact Austin seal of approval'. Also revealed is the respect that nonprofit organisations have for members of Impact Austin for what they accomplish in their philanthropic efforts in Austin.

As giving circles continue to grow in number and influence members' philanthropic and civic behaviours, knowledge and attitude it is important that all stakeholders understand the relationships that exist between giving circle members and the nonprofit organisations they support.

# Table of Contents

# List of Figures

# List of Tables

# List of Abbreviations

| | |
|---|---|
| ACNC | Australian Charities and Not-for-profits Commission |
| CFO | Chief Financial Officer |
| FAC | Focus Area Committee |
| FAQ | Frequently Asked Questions |
| LOI | Letter of Inquiry |
| PAF | Private Ancillary Funds |
| VPP | Venture Philanthropy Partners |

# Statement of Original Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person, except where due reference is made.

QUT verified signature

Signature: ________________________________

Date: 18 November 2013

# Acknowledgements

‘Impact Austin was not part of my life plan, but it is clearly part of my destiny.’
(Rebecca Powers, Founder, Impact Austin)

Rebecca Powers, Founder of Impact Austin: from Australian shores to Texas, I send my love and gratitude to this visionary and gracious lady. From our first email contact, Rebecca embraced the idea of my research and Impact Austin’s involvement. From our first phone conversation I knew we would be friends. It was Rebecca’s greatest wish that Impact Austin would have the best possible relationships with the nonprofits it supports and viewed my research as a learning opportunity for all.

Dr Wendy Scaife: my principal supervisor, friend, mentor, guide, shoulder to cry on, someone to laugh with, giver of sage advice. Words can hardly express my gratitude for your guidance, support and encouragement, my heartfelt thanks. And you were right, I did get there and it was worth it.

Professor Myles McGregor-Lowndes: my academic hero. No other words are necessary. Thank you.

Professor Angela Eikenberry: the leading academic researcher on giving circles and whose research was my introduction to the transformative power of collective giving.

My family and friends: thank you for your support and encouragement. You all now know so much about giving circles, qualitative research methodology and the plight of the researcher. Probably more than you ever wanted, if the truth is known. Special acknowledgment to Nigel Harris: thank you for the conversations that helped sort and clarify my thinking.

Finally, I acknowledge and thank the interviewees of Impact Austin and the nonprofit organisations who participated in my research: these are your words, your experiences. It’s been my privilege to write them up into a thesis that is hopefully useful as we continue to see the emergence of giving circles and the growth of philanthropy around the world. Thank you for your generosity in sharing your experience about the wonderful Impact Austin with me.

# Chapter 1: Introduction

> *'It is possible to describe at least five major dimensions of giving circles. Generally, they pool and give away resources, educate members about philanthropy and issues in the community, include a social dimension, engage members, and maintain their independence.'*
> *(Eikenberry, 2009, p. 57)*

Giving circles are emerging around the world as a way for donors to meet their philanthropic goals through the concept of collective giving. With this growth in practice, the academic lens is also being focused on aspects of this phenomenon. A giving circle is a group of individuals who come together to pool and give away resources, educate members about philanthropy and issues in the community, include a social dimension, engage members, and maintains its independence from nonprofit organisations (Eikenberry, 2005, 2006, 2007a, 2009). Sometimes described as a social investment club (Taylor & Shaw-Hardy, 2006) giving circles are a highly participatory form of collective philanthropy (Rutnik & Bearman, 2005), attracting individuals of all wealth levels (Andris, 2011) and sharing a common focus on the power of giving together (Baker-Hallett, 2005).

Giving circles are not content with passive 'cheque book' philanthropy; they are strategic in their giving and are hands-on, with participants generally seeking to be involved with the causes they support (Byrne, 2002; Eikenberry, 2005). As giving circles continue to flourish, providing a new stream of funding and new donors for charitable causes, the discerning fundraising professional will be seeking ways to understand this phenomenon so they can develop relationships that are beneficial to both giving circle members and nonprofit organisations. 'Relationship fundraising'

(Burnett, 1992), ‘donor-centred’ (Burk, 2003) and ‘supply-side’ philanthropy (Schervish, 2000; Tempel, Seiler, Aldrich & Rosso, 2011) are fundraising terms derived from both the practical and academic literature that are commonly used to describe focussing on the needs of the donor rather than focussing on the needs of the organisation and fundraising practitioners will need to ensure they are genuinely focussing on meeting the needs of donors if they are to successfully develop relationships with the donors of the ‘new philanthropy’.

Building on the emergent discipline of philanthropic psychology, as well as considering elements of both the academic and practice-based literature on philanthropy and fundraising marketing that pertain to donor behaviour, this thesis seeks to understand the relationships between giving circle members and the nonprofit organisations they support. Extending this understanding adds to the overall body of knowledge of the philanthropic environment, particularly in the area of the contemporary phenomenon of giving circles.

Critical to understanding the relationships between giving circles and nonprofit organisations is uncovering the range of experiences between them and how they can best work together to achieve donors’ needs, alongside meeting their organisational missions. This thesis extends the current literature by exploring the relationships between giving circle members and the nonprofit organisations they support and adds to the momentum towards a different type of giver – the new philanthropist – who is not only giving as an individual, but also acting within the context of the group. It will also provide conceptual and practical understanding for fundraising professionals as to how they might best work with the increasingly common type of donor who is seeking to have more say in where his/her philanthropy will be directed.

This chapter outlines the background, research problem, purpose of the study, and the gap in the literature, which lead to the major research question and sub-questions. It also introduces the case site for this study (Impact Austin), the significance of the research and its contribution to the body of knowledge, as well as to giving circle members and fundraising professionals. Also presented in this chapter is an overview of the research design utilised and an outline of the thesis structure. The case organisation, Impact Austin, is a large and formal giving circle operating in Austin, Texas, United States since 2003. At the time of this research Impact Austin had 542 members and, through pooled resources of US$1,000 per member, provides grants to nonprofit organisations across five different focus areas.

## 1.1 Background

Scholars, fundraising practitioners and the media claim 'a new era has begun in American philanthropy' (Eikenberry, 2007a, p. 1) evidenced in the 1990's by massive growth in family and community foundations and the emergence of venture philanthropy (Cobb, 2002). This phenomenon is commonly referred to as the 'new philanthropy', and is characterised by three attributes: 'an increase in available funds, an expansion in modes of giving, and a greater democratization of philanthropy' (Cobb, 2002, p. 125). 'New philanthropy' seeks higher levels of engagement and 'unconventional modes of giving and volunteering' (Eikenberry, 2007a, p. 1); by contrast, traditional philanthropy is typified by 'giving at arms length and with little contact or intimate knowledge of beneficiaries' (Lubove, 1965; Pratt, 1997 as cited in Eikenberry, 2007b).

Giving circles have emerged from this new philanthropic environment as one of the new modes of donating. As such this thesis focuses on the overarching question of ‘what are the relationships between giving circle members and the nonprofit organisations they support?’ As giving circles continue to flourish around the world, and arguably seek to be engaged with nonprofits in a way that nonprofits have not been accustomed to previously, it is important for nonprofit professionals to understand the behaviours and determinants of giving of donors of the ‘new philanthropy’.

The researcher was able to gain excellent access to the case organisation, Impact Austin, a formal giving circle operating in Austin, Texas, United States, which provided the platform for this rich case study. Embedded within the case are 10 different nonprofit organisations that have received funding from this particular giving circle and they and Impact Austin are analysed for this thesis.

### 1.1.1 Giving circles

Giving circles are known as one type of the ‘new philanthropy’ – giving that embraces concepts of accountability and entrepreneurship. The larger and more formal giving circles have unambiguous views about how they want to be treated by nonprofits; that is, they wish to be involved in the organisations they choose to support, have a say in the projects they fund, and often volunteer for the recipient organisations (Eikenberry, 2005, 2006, 2007a, 2009; Eikenberry & Bearman, 2009). Other giving circles have a less formal approach, seeking to be as non-bureaucratic as possible. Giving circle members contribute to a funds pool, and the funds are typically distributed to nonprofits chosen by the entire group.

Giving circles are still a relatively new phenomenon, emerging in the new philanthropic era of the1990s, and most have formed since the year 2000 (Bearman, 2007a, p. 3). Since tracking of giving circles began in 2004 by the Forum of

Regional Associations of Grantmakers (Rutnik & Bearman, 2005), the number of giving circles identified throughout the United States and Canada has more than doubled to in excess of 500 groups. It is estimated they have contributed more than US$100 million to nonprofit organisations, engaging more than 12,000 giving circle members (Eikenberry & Bearman, 2009, p. 10). Because of the grassroots nature of giving circles it is unclear exactly how many are in existence (Eikenberry & Bearman, 2009); however, anecdotal reports indicate there may be as many as 800 giving circles operating in the United States alone.

Giving circles vary in structure, size and charitable focus. Some giving circles are very informal, nothing more than a group of friends with a bank account who meet in each other's homes to discuss and decide on where their funds will go. Other giving circles have hundreds of members and governing boards and will be registered as a 501(c)(3) entity. A 501(c)(3) nonprofit is exempt from federal income tax in the United States if its purposes are charitable, religious, educational, scientific, literary, testing for public safety, fosters amateur sports competition, prevents cruelty to children or animals (Fritz, n.d., para. 2). The majority of giving circles are 'hosted' or 'sponsored' by a community foundation or other public foundation, which is a registered 501(c)(3) organisation and is able to offer tax deductibility to giving circle members. Being hosted means that giving circles do not have to become registered organisations themselves and the host manages the financial and grant distribution aspects on behalf of the giving circle (Eikenberry, 2009). These host organisations apply staff and resources to actively create and promote giving circles and there appears to be two primary reasons for this approach: firstly, there is an assumption that the host organisations can cultivate new and more diverse donors for their foundation and the members of the giving circles are good prospects; and secondly, to 'promote more informed, more strategic philanthropy' (Eikenberry & Bearman, 2009, p. 8; Bearman, 2007b).

Educating members about philanthropy and issues in the community is one of the central dimensions of giving circles. The most recent data available indicates that giving circle members: are knowledgeable about philanthropy, nonprofits, and the community; are highly engaged; and are giving more, and more strategically, to a wide array of organisations (Eikenberry & Bearman, 2009, p. 4). It would appear that they are a powerful philanthropic force and they are growing. A comprehensive summary of giving circles is presented in section 2.6 in *Chapter Two – Literature Review*.

## 1.2 Research Problem

A literature review has been conducted to illustrate continuity between existing academic works and practice-based understanding of the giving circle phenomenon being studied.

Following a review of the literature in the key disciplines of philanthropic psychology, philanthropy and fundraising marketing, donors and nonprofit organisations, and giving circles the overall purpose of the research is to:

- understand the relationships between giving circles and nonprofit organisations;
- gain insight into how nonprofits are responding to this new style of high engagement, hands-on philanthropy;
- uncover and describe the participants' perspectives on the relationships that exist between giving circles and the nonprofit organisations they support;

- build on previous research and offer fresh insights into the relationships between giving circles and the nonprofit organisations they support.

From this broader purpose, and the research framework that will be presented in Chapter Two, one central research question is identified and, to explore that, two sub-questions developed. Building on previous research and the gap in the literature, which mainly focuses on the giving circle landscape, impacts on donor-members and starting a giving circle, it is identified that the attitudes of the stakeholders is needed to provide a deeper understanding of this new phenomenon.

***Research Question:***

*What are the relationships between giving circle members and the nonprofit organisations they support?*

***Sub-questions:***

*1a* *What are the range of stakeholder experiences of giving circles and nonprofits working together?*

*1b* *How best might giving circles and nonprofits work together?*

## 1.3 Gap in the Literature

Research on giving circles has primarily focussed on the giving circle landscape, impacts on donor-members and starting giving circles, (see for example Andris, 2011; Bearman, 2007a, Beeson, 2006; Eikenberry, 2005, 2006, 2007a; Eikenberry & Bearman, 2009; Rutnik & Bearman, 2005; Shaw-Hardy, 2000; Strotz & Bigelow, 2008) and 'nearly all of the literature on the "new philanthropy" comes from the perspective of the donor or philanthropist' (Eikenberry, 2007a, pp. 3-4).

Eikenberry identified this gap in the literature and in 2007 undertook the first study to understand what the relationships are that exist between giving circles and the nonprofit organisations they support, and how nonprofits are responding to this new style of high-engagement, hands-on philanthropy. Eikenberry's (2007a) research gathered data from 17 nonprofit organisations that had received funding from giving circles and identified a number of benefits and challenges.

Findings from Eikenberry's 2007 research indicated that although the experience nonprofits had with giving circles was generally positive there were some areas of tension between themselves and the funders. Highlighted as positive elements were: the value of the relationship beyond the funding; that some formal organisations provide multi-year funding; the private philanthropy of donors, which was for specific projects, capacity building, and general and operating expenses; and the personal dimension to the relationships. Areas of tension highlighted in the report were: that working with formal organisations can be time consuming and difficult; apart from the funding, nonprofit organisations received no other 'value-add' for example no new donors or contacts; challenges to the funding process; funding that was too directive; and a perceived lack of transparency (Eikenberry, 2007a, pp. 7-17). Since Eikenberry's research it is understood that no further academic study has been undertaken that includes the perspective of nonprofits. This thesis builds on Eikenberry's research and presents data gathered from a formal giving circle, Impact Austin, and 10 nonprofit organisations that have received funding from this group since its first grant distribution in 2004. This research contributes particularly to the currently very small body of knowledge in the area of fundraising and philanthropy effectiveness on how best giving circles and nonprofit organisations might work together.

## 1.4 Significance of the Study

As the growth of giving circles continues throughout the United States and Canada, and the ‘new philanthropy’ emerges in Australia and other countries, this thesis will inform practice for nonprofit organisations and giving circles and provide understanding for both about how they might best work together to foster philanthropy and strengthen their community. Both these outcomes are topical in many countries today. This thesis will also provide understanding for fundraising professionals as how to partner with donors more generally who are seeking to have more say in where their philanthropy will be directed, an increasing trend beyond giving circles alone. The greater depth of understanding will be significant as the giving circle population continues to grow and expand geographically, lifting the sheer numbers of donors who through their funding will seek a different relationship level with nonprofit organisations.

The study will also contribute to the field of relationship fundraising, as it will embed more knowledge into this significant area of donors’ and nonprofit organisations’ engagement with each other. Burnett (1992) introduced ‘relationship fundraising’ as a concept emanating from marketing and describes it as: seeking to develop the full potential of the relationship between an organisation and its supporter; aiming to make donors feel important, valued and considered; and a long-term process. A core tenet of Burnett’s theory is that the donor must be at the centre of the relationship with the organisation; that is, the nonprofit organisation must understand the donor’s needs and focus on meeting them.

Finally, this is the only Australian academic exploration to date in this growing area of giving circles and it takes the United States case experience and interprets its factors for their value in an Australian context.

## 1.5 Case Site – Impact Austin

Impact Austin is a successful and formal giving circle operating in Austin, Texas, United States, since May 2003. The organisation was the innovation of an Austin businesswoman who had read in a magazine about the collective giving concept elsewhere. That model had been developed under the name of 'Impact 100' and had been operating in Cincinnati, Ohio, since 2001. Believing that the same model could work in Austin, the founder and Chief Executive Officer of Impact Austin drew on the support of two friends, who in turn each invited one person to join, making the inaugural group of six women to start Impact Austin. Using the 'Impact 100' model as a guide, research was undertaken to frame the processes around receiving, funding and evaluating philanthropic grants.

Impact Austin is a women-only giving circle with each member contributing US$1,000 each year. Funds are pooled and 100 per cent of donations are distributed each June to nonprofit organisations operating in Austin. Nonprofit organisations apply to Impact Austin to receive funds from within one of five focus areas, depending on the category of their organisation and the program for which they are applying. The five focus areas are culture, education, environment, family, health and wellness. Equal distributions are made to the nonprofit organisations following a formal application and due diligence process (expanded in Chapter Four). At the Annual meeting in June, finalist nonprofit organisations give a presentation to the membership of Impact Austin and members vote by secret ballot to decide which of the nonprofit organisations will receive funding for that year. Members of Impact Austin are welcome to volunteer on committees; however, no commitment of time is required.

This study was undertaken from 19 January and 7 February 2011 when Impact

Austin had 542 members. That year, the distribution to each of the five funded nonprofit organisations was $108,400. Eikenberry's (2007a) study of 17 nonprofit representatives indicated that gifts made by giving circles to those organisations ranged from US$90 from a small group to 'hundreds of thousands of dollars over several years' from a formal organisation (p. 11).

At the time of this study the founder and Chief Executive Officer was transitioning out of her voluntary role and for the first time in its history Impact Austin would have a paid employee. An Executive Director was appointed to the position mid-2011 and is supported by administrative volunteers as well as a range of volunteer committees, including fund development, grants, marketing, membership recruitment, philanthropy and membership engagement, Discovery Day planning, Annual meeting planning and technology. The Fund Development committee was formed to raise funds for the Executive Director's position as well as operating capital for Impact Austin. The 'Beyond Impact' campaign was seeking US$200,000 per year for three years (financial years 2012, 2013, 2014) to support the organisation. The membership of Impact Austin was invited to support the 'Beyond Impact' campaign in addition to their annual membership of US$1,000, however this was voluntary. Members were assured that their US$1,000 membership would continue to be distributed to nonprofit organisations as part of the grant process.

To date, Impact Austin has distributed more than US$4 million in grants to nonprofit organisations in the Austin area and potentially leveraged significant funding beyond by introducing members to giving and to the opportunity to give outside the circle. While Impact Austin is a women-only giving circle, men are able to join as 'Friends of Impact Austin'; however, their contributions are not included in the funds distributed to nonprofit organisations through the grants process. Rather, these donations, as well as other donations received through matched-giving for example, are used to offset operating expenses.

Impact Austin documentation reports that it prides itself on its transparency, excellence, inclusiveness and accountability (www.impact-austin.org). This ethos is evident in its strategic documents, for example its Mission and Values Statement as presented in Figure 1.1.

**Our mission**
We're a progressive leader in women's philanthropy, bringing new resources to the community and making philanthropy accessible. Through high-impact grantmaking, we engage, develop and inspire women to effect positive change.

**Our beliefs and values**
We believe a diverse group of women, by joining together, can make a big difference in the community. We value integrity, respect, continuous improvement and innovation. We pride ourselves on our transparency, excellence, inclusiveness and accountability. Moreover, each of our members has an equal voice in choosing the recipients of our grants.

**Our vision and goals**
Our vision is that our women are inspirational role models reaching their full giving potential for a better quality of life in our community. We will ensure our long-term sustainability by tapping into the talents of our members and building Impact Austin from the "inside out."

**How we work**
**Impact Austin** combines annual donations from members and gives multiple grants of more than $100,000 each June to local, worthy causes selected by our members. Our membership requirements are simply to be female and to donate $1,000 each year. Beyond this, each member can be as engaged or uninvolved as she chooses. One hundred percent of each member's donation goes to our grant recipients.

We keep our overhead costs low by using an all-volunteer staff, except for Executive Director Liz Fitzgerald, and tapping into the talent pool of our membership. We are committed to running Impact Austin efficiently and raise separate funds to cover these overhead costs.

Grant applications are accepted in each of the following focus areas:
- Culture
- Education
- Environment
- Family
- Health and wellness

Members may volunteer to serve on committees to review grant applications and recommend finalists in each focus area. Grant finalists make presentations at our annual meeting in June of each year to share their stories with members and learn the outcome of the voting.

Each member casts one vote. The majority vote decides the winning grant recipients. Although members are welcome to volunteer on committees and encouraged to attend the annual meeting, we require no specific time commitment.

*Figure 1.1:* Impact Austin Mission and Values Statement

### 1.5.1 Girls Giving Grants

'Girls Giving Grants' is the youth initiative of Impact Austin. Membership is open to young women (ages 12 to 18) and each member makes an annual contribution of US$100. Similar to its host, Impact Austin, 'Girls Giving Grants' pool resources and distribute 100 per cent of donations to one nonprofit organisation in the Austin area that specifically provides services for youth. Grantmaking is a multi-step process, which includes calling for submissions, evaluating grant proposals, site visits to potential grantees and finally one nonprofit organisation is awarded at an annual award ceremony. In 2012, 'Girls Giving Grants' awarded its sixth grant of US$5,700. 'Girls Giving Grants' describe its grantmaking processes as:

> As we review grant applications, we learn how to assess the capabilities and credibility of nonprofits, and how to evaluate proposed projects for feasibility, sustainability and importance to the community. After we have conducted our due diligence review and conducted site visits of our finalists, each Girls Giving Grants member gets one vote in choosing which charity will receive our grant each year. We will extend our grant to the charity receiving the most votes.
>
> *Source*: www.girlsgivinggrants.org (Retrieved June 9, 2013).

## 1.6 Overview of Research Design

This case study followed a qualitative research design to meet the aims of this exploratory thesis and to address the central research question and sub-questions. A case study was considered the most suitable method for this research as it is 'an empirical inquiry that investigates a contemporary phenomenon within its real-life context' (Yin, 1984, p. 23). While a case study is a valuable way of studying phenomena within its context (Baxter & Jack, 2008) the limitations of the case study method are recognised – in particular single case design is acknowledged for its ‘inability to provide a generalising conclusion’ (Zainal, 2007, p. 2). The case study site chosen for this research was well established, accessible to the researcher to gain deep and honest insights and was regarded as having a broad range of typical giving circle facets and also acting as a role model for others.

Individual giving circle members and fundraising professionals from nonprofit organisations consented to be part of in-depth face-to-face interviews. This method was chosen as it is interpretive and emergent, and is grounded in the frame of reference of the participants (Marshall & Rossman, 2006). This qualitative research approach was considered the most appropriate as it is particularly suited to collecting data about complex contemporary phenomena (as giving circles are) and enabling responses to be contextualised (Mason, 2002). Full details of the recruitment process undertaken to invite participants into the study as well as details of data collection and analysis are presented in Chapter Three. Chapters Four and Five present the findings from the data collected.

## 1.7 Thesis Structure

This thesis then is presented in six chapters: Introduction, Literature Review, Research Design, Findings – Impact Austin Participants, Findings – Nonprofit Organisation Representatives, and Discussion and Conclusion. Following this introductory chapter the literature pertaining to this thesis is canvassed.

*Chapter Three – Research Design* then describes the qualitative case study research approach this thesis has utilised to investigate the research questions. Case study recommends itself over others as it focuses the rich research on the individual case and not the entire population of cases (Key, 1997), which was necessary to meet the aims of this investigation. Ethical considerations, including potential conflict of interest, are also highlighted.

*Chapter Four – Findings – Impact Austin Participants* presents the findings from the eight participants from Impact Austin. Findings are captured under five themes and 12 sub-themes. *Chapter Five – Findings – Nonprofit Organisation Representatives* presents data from the 12 representatives from 10 nonprofits that had received Impact Austin funding. Five overarching themes and 17 sub-themes are drawn from the data.

*Chapter Six – Discussion and Conclusion* provides a final discussion and interpretation of the research findings in relation to the central research question, two sub-questions and the literature presented in *Chapter Two – Literature Review*. It highlights that eight standout ideas emerge from the findings to describe the experiences of the members of Impact Austin: having control over their philanthropy, being a philanthropist, increased giving and education about their community, leadership within Impact Austin, delivering the project, future funding direction of Impact Austin, learning from the nonprofits, and stewardship. From the perspective of the nonprofit organisation representatives, ten key ideas from the findings are: the process, benefits beyond the gift, the value of the gift, private philanthropy, engaging with Impact Austin members, other funder experiences, stewardship, broadening the scope of funding, appealing to Impact Austin, and embracing the benefits. Also included in Chapter Six are implications for theory and practice as well as directions for future research in the area of giving circles. Particular contributions to theory are the extension to Eikenberry's (2007a) study and confirmation of the literature in relation to the expectations of donors who are seeking to be more engaged and hands-on in their philanthropic relationships with nonprofit organisations. This thesis also contributes to the theory of relationship fundraising which engages donors at every point throughout their individual journey with the organisation. Finally, identified in this thesis is an opportunity for government to actively foster and promote giving circles as an opportunity to strengthen the nonprofit sector through philanthropy.

Numerous practical implications are identified from this thesis including, how nonprofit organisations engage and steward relationships with giving circles, the challenge nonprofits may face in making themselves known to giving circles, and whether or not the investment of time and resources of managing the relationship with a giving circle is either practical or desired. Also identified is that giving circles are attractive to women, therefore nonprofit organisations can use this knowledge to create a giving mechanism within their organisation that engages women donors.

Key future research recommended would involve a study of the other two types of giving circles (loose networks and small groups) that includes the perspective of nonprofit organisations, and a broader study of giving circles and nonprofit organisations, as this thesis is confined to one giving circle. Also worthy of future investigation would be to extend the understanding of the peer or group model of collective giving through other mechanisms such as workplaces and service clubs. Chapter Six concludes with an overall thesis summary.

### 1.8 Spelling

American English is used in direct quotes throughout this document as this study was conducted in the United States. Elsewhere throughout the document Australian spelling is used.

## 1.9 Chapter Summary

In the introduction to this chapter it was noted that giving circles are emerging as one giving mode of the 'new philanthropy' and that while studies have been undertaken to understand the giving circle landscape, the impacts on giving circle members and starting giving circles, the current literature is deficient in that it does not tell us much about this important emerging collective giving mechanism from the perspective of the nonprofit organisations that receive funding from them. As this is only the second study of giving circles that includes nonprofit organisations this thesis makes a significant contribution to understanding the relationships that exist between giving circles and the nonprofit organisations they support.

The purpose of the research is to:

- understand the relationships between giving circles and nonprofit organisations;
- gain insight into how nonprofits are responding to this new style of high-engagement, hands-on philanthropy;
- uncover and describe the participants' perspectives on the relationships that exist between giving circles and the nonprofit organisations they support; and
- build on previous research and offer fresh insights into the relationships between giving circles and the nonprofit organisations they support.

Also highlighted in this introductory chapter is the qualitative case study research method adopted for gathering data and the justification for using this approach. Limitations of this approach as well as limitations of the study itself are also explained. Impact Austin, as the case, was introduced in this chapter. The eight members of Impact Austin together with the 12 representatives from 10 nonprofit organisations who participated in this research provided a rich case study, the findings of which are presented in Chapters Four and Five respectively. The next chapter charts what is currently known about giving circles and some of the theoretical underpinning that explains their emergence and operation.

# Chapter 2: Literature Review

## 2.1 Introduction

The 1990s heralded the dot-com boom in the United States, creating great wealth and with it a new generation of philanthropists (Phills, 2008). The time saw massive growth in family and community foundations and the emergence of venture philanthropy (Cobb, 2002). This phenomenon is commonly referred to as the 'new philanthropy' – giving that seeks higher levels of engagement, demands for accountability and 'unconventional modes of giving and volunteering' (Eikenberry, 2007a, p. 1). Giving circles arose from this environment as one of the new modes of giving: giving that entails individuals coming together and 'pooling their resources in support of organizations of mutual interest' (Schweitzer, 2000, p. 32) and through collective decision-making, distributes funds to nonprofit organisations.

Giving circles do more than just provide funding for nonprofit organisations though; there is an educational aspect to their giving – education about philanthropy and community – and they appear to 'connect participants to community, perhaps to a degree greater than other forms of philanthropy' (Eikenberry, 2007a, p.1). Giving circles are fast growing, particularly in the United States; however, there is evidence that they are emerging throughout the world (Eikenberry & Bearman, 2009) with at least five known, recently-formed, circles operating in Australia and, from all accounts, they are here to stay. This thesis seeks to understand the relationships between giving circle members and the nonprofit organisations they support, adding to the overall body of knowledge of the philanthropic environment, particularly in the area of the contemporary phenomenon of giving circles.

To explore the relationships between giving circle members and the nonprofit organisations they support, and to provide a framework for that exploration, the literature reviewed for this thesis begins at the broad conceptual level with the emergent discipline of philanthropic psychology; that is, what motivates donors to give. I then seek to understand the changing behaviours of donors in their philanthropic support to organisations and the way they want to be treated by the nonprofits with which they engage by focusing attention on academic and practice-based literature on philanthropy and fundraising marketing.

As highlighted, giving circles are one mechanism for giving in the 'new philanthropy' environment and by virtue of the fact that there is a 'new philanthropy' it is assumed there is an 'old philanthropy'. This is more commonly referred to as 'traditional philanthropy' and is led by large institutions, which have dominated the philanthropic landscape in the past century (Eikenberry, 2007b; Sprinkel Grace & Wendroff, 2001).

To provide context to 'traditional philanthropy', I present a number of fundraising and development programs developed by nonprofit organisations through which donors traditionally connect to facilitate their personal giving. Finally, this thesis investigates the specifics of giving circles as a logical knowledge gap that changing market and motivations has created. Emerging from the literature is the need to have a better understanding of the relationships between giving circles and nonprofit organisations and the range of experiences from both stakeholder groups. This knowledge will extend the current scholarly literature that has investigated this contemporary phenomenon and will also provide practical understanding for nonprofit professionals in their engagement with these new philanthropists. To guide this research a framework was developed and is presented in Figure 2.1.

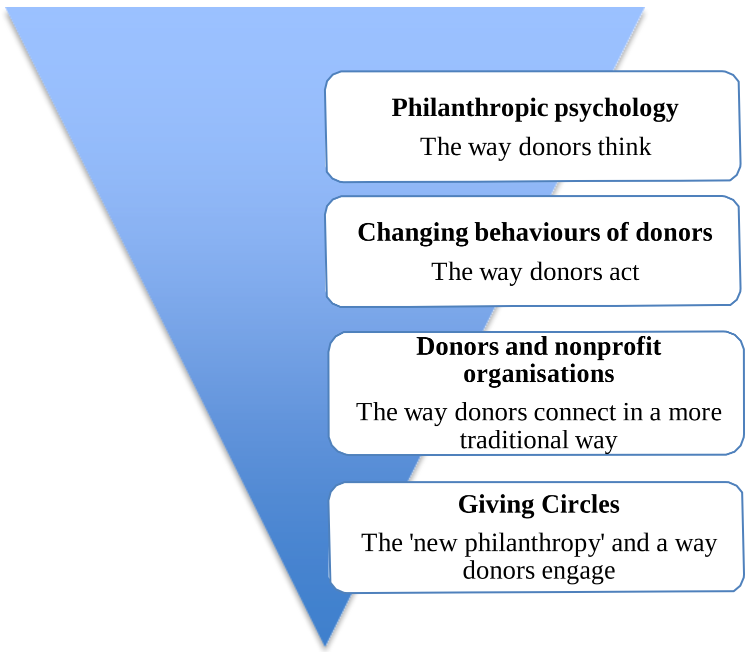


*Figure 2.1:* Research framework

### 2.1.1 Philanthropy defined

Before exploring the literature reviewed for this thesis it is important to define the concept of ‘philanthropy’. Philanthropy in its purest form is derived from the Greek language (1600-10) and literally means the love for mankind (*philos* loving + *anthropos* man), and nonprofit organisations the world over use a definition of philanthropy to anchor their fundraising and garner volunteerism to support the mission of their organisations. Establishing a definition of philanthropy at the beginning of this review is particularly relevant for this thesis, focusing as it does on giving circles and the ‘new philanthropy’. Literature reviewed for this thesis provides an opportunity to explore what the concept of philanthropy means to members of giving circles.

While there are numerous definitions of philanthropy, one that is commonly used by nonprofits is defined by Payton (1998) as voluntary action for the public good through voluntary action, voluntary association and voluntary giving. San Francisco-based fundraising consultant Sprinkel Grace (2005) has grounded her definition of philanthropy in Payton's and teaches that values are the basis of philanthropy, and fundraising is how we provide opportunities for people to act on their values. Sprinkel Grace proffers the view that 'people do not give to, ask for, join, or serve those organisations whose values are inconsistent with their own' (2005, p. 6). Offering another definition of philanthropy, John, Davies and Mitchell (2007, p. 11) in their study 'Building a Culture of Philanthropy in the Financial Services Industry' describe philanthropy as 'engaging the head and the heart with an organised and planned strategy, rather than only reacting to donation requests in an ad-hoc manner.'

Payton's (Payton & Moody, 2008) description of philanthropy suggests that philanthropy is much broader than 'an organised and planned strategy' and that it includes: voluntary giving to fundraising appeals, sometimes on the spot or by deferred means, such as bequests; as well as voluntary service, when people give time; and voluntary association. Payton and Moody further describe philanthropy as acting 'as diverse as consoling or cavorting with a child who has cancer, taking tickets at an art exhibit, writing a check for a relief agency, investing in the endowment of a private liberal arts college, and raising the funds that make the endowment possible' (2008, p. 4), which again suggests that these acts of 'doing good' are aligned with the original definition of 'the love for mankind'.

Philanthropy Australia, the country's national peak body for philanthropy, defines philanthropy as 'the planned and structured giving of time, information, goods and services, voice and influence, as well as money, to improve the wellbeing of humanity and the community' (www.philanthropy.org.au). This definition concurs with John et al. (2007) in suggesting that philanthropy is more deliberate and considered rather than something that is done in an ad-hoc manner. Whatever the definition that is adopted, what is common is that at its core philanthropy is transformational and donors are interested in making a difference to a cause (Sargeant & Shang, 2010). As relevant today as it was when Rosso first coined the phrase that fundraising is the servant to philanthropy (1991), understanding the psychology and the motivations of donors is critical in order to serve the interests of philanthropists and, although the discipline of philanthropic psychology is still relatively young, as is highlighted in the following section, there is extant literature on the motivations of donors and their attitudes towards giving.

## 2.2 Philanthropic Psychology

### 2.2.1 Development of the field

It was in the 1920s that the social sciences emerged in the United States and elsewhere, spreading quickly and studying the significant phenomena of human organisation and behaviour (Katz, 1999). Despite 'themselves largely the result of strategic philanthropic investments' (Katz, 1999, p. 74), the social sciences did not address the phenomenon of philanthropy until recently and it was not until the 1980s that the term 'philanthropic studies' was coined. Since then, philanthropic studies and the 'development of the field of third sector research' (Katz, 1999, p. 79) have been undertaken throughout the world and today there is an abundance of academic knowledge on philanthropy in the social sciences (Bekkers & Wiepking, 2007). Scholars suggest, however, that there is still a long way to go in this field and particularly draw attention to the area of research and fundraising practitioners where there appears to be disconnect in academic rigor applied to fundraising practice (Bekkers & Wiepking, 2007; Katz, 1999; Shang, 2008). This insight is further supported by Lindahl and Conley (2002, p. 91) who suggest that ‘fundraising is a field in need of a greater base of substantive, objective research rather than a casual acceptance of anecdotal evidence’. Shang (2008) emphasises the need for fundraising practitioners to understand the ‘why’ (theory) as well as the ‘how’ (practice) and the necessity to comprehend both to optimise fundraising. Shang further argues that the onus is on fundraising professionals to enhance their understanding of donor psychology themselves and to be educated to ‘recognise and test robust techniques’ (p. 105). To strengthen this view, Bekkers and Wiepking (2007) reference a fundraising guidebook, which intends to support fundraisers in their craft, however makes no reference to scientific research (p. 2). Shang goes one step further and suggests that it is not only fundraising professionals that require education about philanthropic psychology, having the view that donors too have an opportunity to understand the fundraising environment, which will enhance their philanthropic experience and activities.

### 2.2.2 Why do people give?

Fundamental to the question of ‘why’ in fundraising is the understanding of what motivates people to give – what drives that philanthropy? Sargeant and Jay (2004a) assert that fundraisers must have this understanding in order to retain donors and further stress that donors remain loyal to organisations only if they are given the tangible or emotional benefits they are seeking. Donor retention rates are an ongoing concern for nonprofits and, similar to Bekkers and Wiepking (2007) and Shang (2008), Sargeant and Jay have the view that many fundraisers focus on the technique of fundraising without having an understanding of why. All contest that this understanding is imperative. To support fundraising professionals in their education of philanthropic psychology the literature is replete with studies that have been undertaken to understand the motivations of donors, or why donors give (see for example Bekkers & Wiepking, 2007; Ostrower, 1995; Prince & File, 1994; Sargeant & Jay, 2004a, 2004b; Sargeant & Woodliffe, 2007; Scaife, Williamson, McDonald & Smyllie, 2012; Shang, 2008; Taylor & Shaw-Hardy, 2006). A review of the literature reveals that motivations for giving are largely similar and this thesis draws upon the meta analysis of 500 empirical studies on philanthropy by Bekkers and Wiepking (2007) to highlight the drivers and motivations for giving.

### 2.2.3 Determinants of charitable giving

With an emphasis on psychology as a strong underpinning field to understand what happens in giving, Bekkers and Wiepking's 2007 study 'presents an overview of research on determinants of charitable giving from all disciplines' (p. 2). In this classic work 'Generosity and Philanthropy', for which they reviewed literature of more than 500 articles on charitable giving, these researchers identify eight mechanisms as the most important forces that drive giving: awareness of need, solicitation, costs and benefits, altruism, reputation, psychological benefits, values and efficacy. Based on this data, understanding drivers of donors and, in the context of this thesis, giving circles, has implications for theory and practice for nonprofit organisations in their engagement with these groups of philanthropists.

### 2.2.4 Donors’ expectations

Having highlighted the motivations for giving it is pertinent to also focus on the donors’ expectations of the nonprofit organisation they are supporting. Nathan and Hallam (2009) contend that there is a lack of understanding between donors and nonprofit organisations and the main reason that donors discontinue their support is because nonprofits are not meeting their needs. Milne and Gordon (as cited in Sargeant & Jay, 2004b, p. 107) suggest that ‘donors are becoming more sophisticated, discriminating and selective’ and are seeking deeper and more substantive relationships with organisations. Byrne (2002) corroborates this view and goes so far as to say that ‘the new donor is more ambitious, more strategic in his or her giving, more global in his or her purpose and demands results of the charitable organization’ (p. 1). The common theme highlighted by these authors is that donors are seeking more from organisations and have heightened expectations in their relationships with nonprofits. This thesis provides an opportunity to gain a deeper understanding of donors’ expectations and, in the context of this thesis, the expectations of giving circles.

## 2.3 Changing Behaviours of Donors

### 2.3.1 Connection at a higher level

In recent years, scholars and fundraising practitioners have written increasingly, and from different angles, on the changing behaviours of donors and attitudes of donors, and the necessity for nonprofit organisations to connect with donors at a higher and more engaged level (see for example Ahern & Joyaux, 2008; Burnett, 1992; Eikenberry, 2009; Fernandez, 2001; Havens & Schervish, 2003; John, 2006; Moody & Goldseker, 2013; Ostrander, 2007; Rosso & Tempel, 2003; Sargeant

& Jay, 2004a; Sprinkel Grace, 2005). The giving mechanism explored within this thesis, giving circles, is arguably a reflection of this changing donor profile. From this multi-stranded literature comes the common theme that today's philanthropists are seeking to not only give money, they want their philanthropy to have impact and many are seeking to be involved.

An example of this phenomenon are findings from a United States' national survey of approximately 300 of the next generations of major donors, ('Gen X' – born 1964-1980 and 'Gen Y/Millennial' – born 1981-2000), which conclude that this group 'will wield more philanthropic power than any previous generation' (Moody & Goldseker, 2013, p. 3) in the estimated US$41 trillion intergenerational wealth transfer that could usher in the 'golden age of philanthropy' (Havens & Schervish, 1999 p. 3, 2003). The young philanthropists say they: are interested in strategic philanthropy; are driven by values; want to have impact; and want to give their 'time, talent, treasure and ties' (Moody & Goldseker, 2013, p. 3). 'Giving without significant, hands-on engagement feels to them like a hollow investment with little assurance of impact. They want to develop close relationships with the organizations or causes they support; they want to listen and offer their own professional or personal talents, all in order to solve problems together with those whom they support' (Moody & Goldseker, 2013, p. 3). This higher level of engagement is evident in various approaches to giving that feature in the practitioner and, to a lesser extent, the academic literature.

### 2.3.2 The rising tide of engaged philanthropy

This desire for a more engaged relationship with the causes and organisations donors support is also clear in the practice of Venture Philanthropy, which emerged in the mid- to late-1990s as a way to revolutionise grantmaking (Moody, 2007) and as a step away from the traditional philanthropy of individuals and foundations being at arms-length from the cause, and into the more pro-active form of philanthropy (Hartigan, 2013). Venture Philanthropy has been canvassed by writers such as Krotz and Cantrell (2005), Leat (2007) and Fernandez (2001) and Fernadez provides the example of Venture Philanthropy Partners (VPPs) and describes this type of organisation as the beginning of a rising tide of engaged philanthropy, which includes both financial support and personal involvement. VPPs see themselves as 'true strategic partners' (p. 3), investing in organisations through their funding, management advice and strategy, and applying mechanisms such as technology, helping to build great organisations so that they are best placed to serve their mission. They are engaged, are seeking to 'learn and grow in their philanthropy' (p. 4) and are driven by the impact they have through their involvement with their causes.

Frumkin (n.d.) raises the issue about high-engagement philanthropy though, asking if this level of involvement is predicated on the notion of 'do they believe that they know better than others…even if they lack the specialized training and experience of the leaders within the recipient organization' (para. 2). He goes on to suggest that high engagement 'can muddy the philanthropic waters' (para. 6) when the donor is heavily involved in the program that is being funded. Being so involved can make it difficult to objectively judge the quality and impact of a program and Frumkin argues that there are times when donors need to resist the temptation of 'jumping into the philanthropic fray' (para. 5).

### 2.3.3 Donor-investors seek involvement

Sprinkel Grace (2008) also asserts that the age of passive philanthropy is ending and there is a heightened interest in outcomes, and donor-investors want involvement. 'Donor-investor' is a phrase that Sprinkel Grace coined to convey the move away from charity towards involvement. Involvement with their investment may be in the form of regular reports to a seat at the boardroom table but, most importantly, donors will define that involvement. Sprinkel Grace implores fundraising professionals to welcome this involvement rather than resenting it, which she contends may be difficult for many organisations that are not used to this level donor engagement. Continuing the theme of donor-investors, Sprinkel Grace and Wendroff (2001) undertook a series of interviews with philanthropists ranging in age from 28 to 74, each of whom had just made their first seven-figure gift. They identified the key drivers for the '21st century donor-investors' as: to make a social investment, not just a gift; to have true impact; to fund issues that reflect their values and desires; to fund new ideas that effectively address needs or problems whether they are old or emergent; and to respond to opportunities for appropriate involvement (Sprinkel Grace & Wendoff, 2001, PowerPoint slides).

The idea of the donor-investor is contested by Blau (2005), however, who maintains that donors in fact have more characteristics of consumer than they do investor. He argues that a key difference is that investors have portfolio choice, which allows them to 'spread risk across a collection of diverse investments and depending on the existence of varying returns, allows successful investments to cover costs of unsuccessful ones' (p. 3). For donors, however, there are no returns that allow them to balance risk and, similar to consumers, once donors make a gift the money is gone and 'it is only the quality of, or satisfaction with, whatever the donor supported that can be measured' (p. 3). Similarly, Kelly (as cited in Ostrander, 2007) questions the term 'investment' and argues that it implies that there will be a return on investment for making the gift.

Prince and File (1994) in their classic study of major gift giving motivations identify 'The Investor' as one of the seven profiles of philanthropists. They describe the characteristics of philanthropists with this profile as donors who 'give because they are financially able to do so, because they have a personal desire to do good works, and because they possess enough business acumen to give in a businesslike way' (p. 44). These philanthropists approach the relationship with a nonprofit the same way they do an investment, through careful analysis, research and evaluation, and expect reporting from the nonprofit to have an emphasis on numbers and results. Similar to other donors, they expect to be valued as donors and they rate 'being paid attention to' (p. 51) as important.

### 2.3.4 Relationship fundraising

A more engaged relationship and being valued by nonprofits is not just the domain of the wealthy, however, and it appears from the literature that all donors have an expectation (not unreasonably) of being appreciated by the organisations they support. Reflective practitioner Burnett (1992, 2002) introduced 'relationship fundraising' as a concept borrowed from marketing and describes it as: seeking to develop the full potential of the relationship between an organisation and its supporter; aiming to make donors feel important, valued and considered; and a long-term process. A core tenet of Burnett's theory is that the donor must be at the centre of the relationship with the organisation. Burk's (2003) theory of being donor-centred relies on fundraising practitioners communicating with donors in a prompt and meaningful way, providing assurance that the gift will be directed as the donor intended and by demonstrating meaningful results of their gift before they are asked for another contribution.

Putting the donor in the centre of the relationship, or being donor-centred, according to Joyaux (n.d.) means focusing on meeting donors' needs rather than the needs of the organisation and 'why their good work requires donations' (p. 1). A decade and a half after Burnett's (1992, 2002) 'relationship fundraising' philosophy, Ahern and Joyaux (2008, p. 47) contend, however, that 'relationship fund development is still struggling for broad acceptance and broader practice…there's work to be done in order to put the donor at the centre'.

Ostrander (2007) asserts that further along the continuum to donor-centred philanthropy is donor-controlled philanthropy and argues that they are quite different from each other and, although a donor putting some conditions on their gift is not new, there is a distinction between conditions and control (p. 363). Donor-controlled philanthropy gives the donor complete control over the direction of a program, or even the creation of a program that might be of particular interest to the individual, and may be 'dictated by the donor's innermost cherished values and experiences and by what he or she most wishes to achieve' (p. 366).

Referring to individual, wealthy donors, because 'it is those donors who dominate charitable giving' (Ostrander, 2007, p. 360), Ostrander claims there are three major forms of philanthropic relationships that are creating a framework for donor control and describes these as 'donor exclusive', 'donor intermediary' and 'donor oversight'. In what appears contradictory, 'donor exclusive' and 'donor intermediary' are characterised by 'little or no direct interaction, dialogue, or on-going connection between donor and grantee…these often increase the distance between donors and recipient groups at the same time as they provide donors with opportunities to exercise closer control over how these groups use their money' (p. 363). Rather than relationships being formed with recipient organisations, the relationships are strengthened through networks such as giving circles and between donors and intermediaries who focus on the personal interests of the donor. 'Donor oversight' on the other hand provides donors with the 'opportunity to exercise direct, hands-on control…the investors regularly and directly interact with their partners in an authorial and directive stance that characterizes donor control' (p. 363).

Many giving circles call for funding applications from nonprofit organisations (as is the case of the giving circle being studied for this thesis); however, in other cases the 'path for recipient groups to gain access to giving circles are generally nonexistent' (Ostrander, 2007, p. 364). In writing for *The Christian Science Monitor*, Jonsson (2004) reported that 'giving circles are holding charities to new, more personal standards' and, rather than taking applications, 'members "scour" their communities in search of worthwhile endeavours that will have visible effects' (p. 2). Jonsson cited an example of a circle member reportedly saying 'they call to apply, but I just say, "well, it's really our women who are searching for the right program, and if you've got it, I'm sure they'll find it"' (p. 2).

Referencing the theory of the social relations framework that posits that philanthropy is a 'two-way, interactive relationship between donors and recipients…donors and recipients both give and get in the social relation that is philanthropy' (Ostrander & Schervish, 1990, p. 93), Ostrander (2007) suggests that there must be a rebalancing of the philanthropic relationship, one that is genuinely collaborative and 'is based always on what recipient groups need and want as the main priority and criteria for effectiveness' (p. 370).

### 2.3.5 On donors' terms

Continuing the theme of a new style of philanthropic relationship, according to Ahern and Joyaux (2008) donors want to have a relationship with nonprofits; however, it must be on the donors' terms, according to their definition and meeting their needs. Wagner (2002) supports this paradigm shift by describing that an increasing number of donors are no longer content to write a cheque and let the organisation distribute funds as they see fit. Wagner contends that donors are now seeking out organisations that satisfy their needs and they do this through research and reporting processes of the organisation before making a commitment. Wagner describes the new philanthropist as being more hands-on in the decision-making process of where and how funds are invested (p.344).

The body of publications by both scholars and practitioners in these areas of relationship fundraising and the changing behaviours and expectations of donors continues to grow (see for example Ahern & Joyaux, 2008; Burk, 2003; Burnett, 2002; Ingenhoff & Koelling, 2009; MacMillan, Money, Money & Downing, 2005; Olsen, Keevers, Paul & Covington, 2001; Rosso & Tempel, 2003; Sargeant & Jay, 2004a; Sargeant & Shang, 2010; Scaife, McDonald & Smyllie, 2011; Tapp, 1995) and all point to fundraising practitioners needing to understand donors and focus on the relationship rather than the transaction of the gift.

### 2.3.6 Meeting expectations

An Australian study of major donors (Scaife et al., 2011, p. 49) identified that the 'level of care, courtesy, feedback and evidence of ongoing need' was a determinant of whether or not ongoing support would be considered to a nonprofit organisation. Donors in this study also expressed some criticism towards organisations when they are seeking donations. Areas of concern included: program areas that are too broad, the fundraising methodology not resonating with the donor, general over-solicitation by mail or email, poorly targeted approaches and badly worded communication. On the other hand, donors expressed that they are looking for ‘a proper assessment of the need’ and something that ‘hits the right button’ (p. 42).

Understanding motivation is the key to building relationships and keeping donors loyal and, according to Sprinkel Grace (2005), fundraisers focus on motivation to get the gift but often fail at keeping that motivation alive once the gift is received. Burnett (2002, p. 40) asserts that ‘relationship fundraising is not a series of isolated incidents, it is a total philosophy’, engaging with donors at every point throughout their individual journey with the organisation, ‘ensuring that the relationship is as fruitful as possible for both parties’. In the context of this thesis it is pertinent for fundraising professionals to adopt a total philosophy of relationship fundraising to meet the heightened demands and expectations of giving circles.

### 2.3.7 Stewardship

Stewardship methods employed by fundraising practitioners play a big part in the philosophy of relationship fundraising. Kelly (2012) stresses that the fundraising process is not complete without stewardship and that obligations and responsibilities to the donor must be met. Kelly continues to say that stewardship is continued interaction with donors and essentially consists of ‘four progressive elements: (a) reciprocity; (b) responsible gift use; (c) reporting; and (d) relationship nurturing’ (pp. 434-442).

Although expressed in a slightly different way, Waters (as cited in Tempel et al., 2011) defined stewardship as consisting of four strategies: ‘(a) reciprocity; (b) responsibility; (c) reporting; and (d) relationship nurturing’ (p. 269). Both Kelly’s (2012) and Waters’ definition firmly suggest that stewardship is much more than acknowledgement of a gift, rather it has ‘inescapably moral obligations and responsibilities’ (Jeavons, as cited in Kelly, 2012, p. 434).

This section has drawn out a number of key themes, which identify the changing behaviours of donors and their expectations of the relationships they seek when providing philanthropic support to nonprofit organisations. While it could be argued that heightened expectations of donors is the trend of the new and more engaged philanthropy, as the next section identifies, donors who engage in more traditional fundraising methods to determine their philanthropy have the same, and not unreasonable, expectations.

## 2.4 Donors and Nonprofit Organisations

### 2.4.1 Traditional philanthropy

There are numerous methods that nonprofit organisations employ to engage with donors and an overwhelming number of ‘how to’ fundraising books and articles exist written by practitioners based on their experience of how best to apply those methods. Reflective writings based on scholarly material in the area of fundraising and philanthropy are rare, however, and as Sargeant and Shang point out (2010, p. xxiii) ‘fundraising professionals are beginning to build a platform of knowledge, but we have a very long way to go to catch up to our for-profit colleagues’. This section of the thesis highlights some of the more conceptual professional literature and classic material from leading practitioners and academics in the field, and summarises the various fundraising mechanisms used by practitioners to connect with donors. In this way, the philosophies and the existing range of interactions between donors are mapped as a background for understanding where, why and how the relatively new phenomenon of giving circles fits into the donor and nonprofit landscape.

### 2.4.2 Fundraising defined and the spectrum of fundraising strategies

Respected Australian fundraising pioneer, Herron (as cited in Flack, 2013), defined fundraising as ‘the planned and sustained effort to identify, recruit and develop the human and financial resources necessary for a nonprofit organisation to achieve its objectives’. In the Association of Fundraising Professionals’ official dictionary the following listing appears: ‘fundraising (noun) - the raising of assets and resources from various sources for the support of an organisation or specific project’ (www.afp.net.org). Funds are typically raised by nonprofits through a variety of sources and are usually organised into different funding streams. Flack (2007, p. 41) identifies three sources from which funds are generated: funds given, funds earned and funds transferred. Each of the three sources are explored further.

*Funds given*

Donations are received from an individual or a company where no material benefits are accrued to the donor. Most organisations that are seeking donations from individual donors will use a form of direct response mechanism to communicate with donors en masse. Examples of direct response mechanisms include direct mail, telephone fundraising, digital fundraising and any form of appeal for support where there is a ‘call to action’ (Klein, 2007; Sargeant & Shang, 2010). Direct response communication has two distinctive forms: one is intended to attract new donors (acquisition); and the other is to solicit a gift from newly acquired donors and existing donors – this is interchangeably referred to as renewal or development (Sargeant & Shang, 2010). This development process is fundamental to building the organisation's base of supporters (Tempel et al., 2011) and relies on strategies of acquisition, renewal and upgrading of gifts. Also falling into this category of 'funds given' are bequests and major gifts.

'Bequests are the ultimate reward of a lifetime of relationship fundraising' (Burnett, 2002, p. 250) and the concept of leaving a bequest should be promoted widely according to Burnett. Promoting bequests to donors is the first step in developing a bequest marketing campaign and communication vehicles are many and varied (Burnett, 2002; Regenovich as cited in Tempel et al., 2011). Sargeant and Shang (2010) likewise stress that communications should be widespread to ensure the supporter base is aware that making a charitable bequest is an additional method of supporting the organisation.

As well as a nonprofit organisation's commitment to marketing bequests, 'institutional readiness' is also identified as being critical to bequest development (Regenovich as cited in Tempel et al., 2011). Regenovich describes this aspect as the organisation having a defined strategic plan, which clearly sets out its mission and objectives for the future. In emphasising this point, Regenovich argues that as most bequests will be accrued at a time in the future, donors need to be 'comfortable with the stability and permanence of the organization' (p. 94). In addition to this angle, Wiepking, Scaife and McDonald (2012) identified in their survey data of 846 donors to Australian charities 'that belief in the efficacy of charitable organisations is requisite for leaving a bequest, as the deceased donor has no control over the enactment of the gift' (p. 56). This survey also found that motives for leaving a charitable bequest were slightly different to charitable giving behaviour in general as identified in section *2.2 Philanthropic Psychology* of this thesis (Bekkers & Wiepking, 2007), which suggests that bequests represent a unique charitable behaviour (Wiepking et al., 2012).

Major gifts are defined as sizeable gifts received by donors, and what is classified as a major gift will vary from organisation to organisation (Sargeant & Shang, 2010). ‘Large gift prospects are the lifeblood of any fundraising campaign’ according to Kotler and Scheff (as cited in Sargeant, Lee & Jay, 2002, p. 15) and of significance is that major donors are more often than not within the organisation’s existing constituency (Hopkins & Friedman, 1997; Klein, 2007; Stauch, 2011). Unlike the mass marketing approach of appeal fundraising techniques, however, major gifts require an individualised plan (Luck & Evans, 1992) and a personal face-to-face approach is deemed necessary (Kotler & Scheff as cited in Sargeant et al., 2002; Klein, 2007). It is common in major gift fundraising for board volunteers to be involved throughout the process of identification, cultivation and solicitation of major donors (Dean, 1996; Hopkins & Friedman, 1997; Klein, 2007) and, as suggested by Cook (1997), major donors are seeking to be partners of the nonprofit. The literature suggests, however, that board involvement in the major gift process is not customary in all environments and an Australian study of major giving identified that fundraising professionals raised concerns about boards’ lack of support of major gift activity (McDonald, Scaife & Smyllie, 2011).

While it is accepted that securing a major gift is different from the process of smaller gift appeal fundraising, Sturtevant (as cited in Sargeant et al., 2002) argues that the decision-making process is also different from the donor’s perspective. Sturtevant refers to major gifts as ‘stop and think’ gifts that ‘require a far more complex and lengthy process' and suggests that donors 'will require a stronger set of motives for giving' (p. 17). Fredricks (2000) also believes that a decision to make a major gift is planned and well thought through by the donor.

Extensive research has been undertaken as to the motivations of major donors and, as identified by Schervish (1997), the same motivators apply to anyone along the economic spectrum. His research finds that 'any motive that might inspire concern – from heartfelt empathy to self-promotion, from religious obligation to business networking, from passion to prestige, from political philosophy to tax incentives' might be 'the cornerstone of their giving' (p. 86). Schervish identifies an additional characteristic of major giving however, referring to this as 'hyperagency'. He suggests that while many people are 'agents', 'living within a given institutional framework, in many realms – from business to politics to philanthropy', 'hyperagents' have the capacity of 'establishing the institutional framework within which they and others live'. In other words, 'hyperagents' want to shape rather than just support a charitable cause. Schervish (2006) also identifies that motivation for major giving comes from 'moral biography' and it is through this that individuals combine two elements in daily life: personal capacity and moral compass. He portrays personal capacity as either intellectual, creative or financial, and moral compass as the array of purposes, aspirations and long-term goals to which people choose to devote that capacity. Schervish (p. 490) further suggests that major donors will benefit from what he refers to as an 'extended archaeological conversation' with either their wealth advisor or fundraising professional to uncover the ideas and emotions that shaped their moral biography in the past before defining and implementing a financial or estate plan that includes giving.

Other factors that are at play in the donor's decision to make a major gift are in the area of governance; an area where donors in an Australian study highlighted that the nonprofit sector is lacking (McDonald et al., 2011). Other organisational factors that are major considerations for donors are trust and confidence in the organisation itself as well as its ability to make a real difference (McDonald et al.). Ahern and Joyaux (2008, p. 211) contend that a donor's relationship with the organisation 'deepens or frays' mostly based on how much trust can be created in three areas:

- trust that donors play an essential, vital, central role in the mission's success;
- trust that the organisation does worthwhile things with donor gifts; and
- trust that the organisation conducts its operations efficiently.

Along similar lines to Ahern and Joyaux (2008), Sargeant and Lee (2002) emphasise that trust is the foundation on which voluntary organisations are built and that it is trust that is the basis of public goodwill. They also attest that the sector occupies a 'moral space quite distinct from government or business and has a profile far outweighing its economic significance' (p. 780). In their classic work on trust in which they sought to develop measurement scales to explore the individual and contextual antecedents of donor trust in the voluntary sector, Sargeant and Lee (2002) identified four factors as being the determinants of trust: (a) one's attitude to philanthropy, (b) perceived organisational judgement, (c) role competence, and (d) service quality (p. 792).

While Sargeant and Lee (2002) identify a role for government and sector peak bodies in promoting the value of charitable institutions, at an organisational level they suggest that public perception and the level of trust can be increased by communicating to donors and potential donors the outcomes of giving and by demonstrating to donors that good judgement was used in achieving outcomes. They also urge organisations to communicate the skill, expertise and knowledge, or role competence that an organisation brings to a particular issue by becoming a recognised authority. Organisations must also tend to the level of service provided to donors. Appropriate acknowledgement, thanks and responsiveness to communications are all highlighted as being important in cultivating trust in organisations (2002, pp. 793-794).

The research in this thesis provides the opportunity to explore whether giving circle members share this quest for trust on these issues. Similarly, it can delve into whether the nature of the relationships between nonprofits and giving circles reflects that of major givers and the nonprofits they support, which McDonald et al. (2011, p. 5) characterise as ‘more engaged, investment-style’ and ‘based on shared values and mutual understanding’ (McDonald et al., 2011, p. 15).

*Funds earned*

Funds earned is where a nonprofit organisation exchanges goods or services in return for money (Flack, 2007). Examples include fundraising merchandise sales, tickets to special events and raffle ticket sales. Also included in this category of fundraising revenue are sponsorship fees and community fundraising. This method of fundraising is typically spontaneous and episodic and, in the context of this thesis, is not the way that giving circles act on their philanthropy; however, it is included to provide a complete view of the traditional fundraising landscape.

*Funds transferred*

Funds transferred are where someone else raises the money and transfers it to the nonprofit organisation in the expectation the nonprofit will do certain things with the money (Flack, 2007, p. 41). Examples include government grants, funds from philanthropic trusts and foundations, and funds raised by other nonprofit organisations and transferred to the organisation for a specific purpose. Giving circles occupy a unique niche as a fundraising mechanism which also falls into this category.

As identified above, major gift donors commonly operationalise their philanthropy through a direct relationship with the nonprofit organisation they are wishing to support. Over time, however, 'the organisational landscape has become increasingly more crowded, as more organisational forms have come to populate the terrain' (Frumkin, 2010, p. 129) and donors have an ever-expanding range of options through which they can channel their philanthropy. Typically, these other options for structured giving are grantmaking foundations. Grantmaking foundations do not engage in their own service provision directly; rather, they further their mission by funding the work of other nonprofits. Sargeant and Shang (2010, pp. 462-463) identify two categories within the grantmaking foundation landscape: private foundations and public foundations. Private foundations are those that receive their funds from an individual, a family, a corporation, or some combination of related parties and must distribute an annual amount determined by government. Public foundations are public charities that operate a grants program as one of their primary purposes (Davis, as cited in Tempel et al., 2011; Sargeant & Shang, 2010).

Community foundations are public foundations; they are locally-based in a city or state and receive funds from multiple donors, which may include private foundations, individuals or government (Sargeant & Shang, 2011). The first community foundation was established in 1914 in the United States and today there are over 700 in the United States, a similar number in Europe and there are currently 30 operating in Australia (Community Foundations Australia, n.d.; Australian Community Philanthropy, n.d.). Community foundation assets experienced rapid expansion in the 1990s as a result of the 'rise in individual donors' asset values and the seeding and incubation of small donor-advised funds' (Tempel et al., 2011, p. 152). Of 'hosted' or sponsored giving circles, 52 per cent keep their funds in a donor-advised fund at their local community foundation (Bearman, 2007a, p. 15).

Applications for funding to a foundation are typically through the preparation of a detailed proposal and funding package consisting of a number of key organisational elements. Foundations usually have grant distribution rounds and applications are received and funds distributed at specific times, depending on the foundation. Foundations are becoming increasingly clear in defining their interests and expectations of grantee organisations, with added emphasis on post-grant evaluation, which is often undertaken by an objective external evaluator (Tempel et al., 2011). 'Strong relationships and focused proposals are keys to a strong track record with foundations' (p. 160). As funders to nonprofit organisations, foundations must be afforded the same level of stewardship and relationship fundraising practice as is appropriate for major donors.

In 2012, Scaife et al. undertook a significant study of philanthropists involved in structured giving in Australia and mapped their experiences and decision-making processes for giving. This study explored a wide range of giving options through a very diverse mix of structures ranging from family or individual charitable foundations to endowment sub-funds in community foundations or trustee companies, to corporate foundations and Private Ancillary Funds (PAFs).

Across the study, Scaife et al. (p. viii) identified three main ideas about structured giving in Australia:

- Structured giving is depicted as a journey. It is often larger, more considered, more consistent, more researched and more engaging.
- The act of structuring is a tangible statement and expression of values. It is a turning point in participants' giving, and often in their lives. It is a hallmark of their identity and a tangible statement and expression of their values.
- The variety of structures, approaches and activities across the structured giving spectrum in Australia is significant.

The second theme identified in the study by Scaife et al. (2012) endorsed Schervish's (2006) philosophy of 'moral biography' as the way individuals combine two elements in daily life: personal capacity and moral compass.

Frumkin (2010) concludes that in appraising the vast choices for philanthropic vehicles available to donors, selecting the appropriate structure through which to give requires a conscious effort aimed at overall fit and alignment. Frumkin suggests there are two major considerations to donors: 'the specificity of the mission to be pursued and the amount of donor resources available for philanthropy' (p. 153) and that these two dimensions will vary from donor to donor. Giving circles, as the subject of this thesis, are identified as one such vehicle through which donors can initiate their philanthropy and this thesis investigates the unique aspects of this form of structured giving.

## 2.5 Giving Circles

Giving circles are one of the giving mechanisms of the ‘new philanthropy’ – giving that embraces concepts of accountability and entrepreneurship, is guided by individual donors, is highly participatory and engages donors with the organisations they support (Eikenberry, 2005; Rutnik & Bearman, 2005). Through their pooled donations they support charitable organisations, and some giving circles provide funds to individuals doing good work (although they are not affiliated with a particular organisation), and to individuals in need (see for example Bearman, 2007a; Bearman, Beaudoin-Schwartz & Rutnik, 2005; Eikenberry, 2005, 2006, 2008, 2009; Eikenberry & Bearman, 2009; Rutnik & Bearman, 2005; Taylor & Shaw-Hardy, 2006). Giving circles are portrayed in the literature that has studied them as wishing to be involved in the organisations they choose to support, to have a say in the projects they fund, and often volunteer for the recipient organisations (Eikenberry 2005, 2006, 2007a, 2009; Eikenberry & Bearman, 2009).

Literature reviewed for this thesis indicates that giving circles are changing philanthropy and key findings from Eikenberry and Bearman’s 2009 study ‘The Impact of Giving Together: Giving Circles’ Influence on Members’ Philanthropic and Civic Behaviors, Knowledge and Attitudes’ confirm this. However, beyond research to understand the giving circle landscape, impacts on donor-members, case studies and manuals about how to start a giving circle, limited academic research has been conducted that includes the perspective of the nonprofit organisations as the recipients of funds from giving circles (Eikenberry, 2005, pp. 21-22). This gap in the literature is particularly where this thesis seeks to make a contribution.

In her 2005 study, Eikenberry, the leading academic researcher on giving circles, identified a number of areas for future research that would seek to understand the impact of giving circles from the nonprofit professionals' perspective. In 2007 Eikenberry addressed many of these areas in the first study that focussed on nonprofit organisations as the recipients of giving circle funding. To date, Eikenberry's research is the only published research undertaken on the impact giving circles are having on nonprofits and the way they (nonprofits) are adapting to this new style of philanthropy. This case study on Impact Austin, a large, formal 501(c)(3) registered organisation which is a giving circle operating in Austin, Texas, United States, and the nonprofit organisations it has provided funding to, supports, builds on and advances the body of knowledge of giving circles and their relationships with nonprofit organisations.

### 2.5.1 Beginning of a movement

Although donor circles have been used informally by women's funds since the mid-1970s (Clohesy, 2004), under the new name of 'giving circles' they have received much attention in the last decade or so as they continue to proliferate in the philanthropy landscape as a new way for individuals to experience giving. First referred to as 'donor circles' they gained prominence during the 1990s and the literature suggests this growth was a result of an increase of new donors and the high net worth individuals who were seeking to give back to society and at the same time have more say and control over their charitable giving (Ostrander, 2007; Rutnik & Bearman, 2005; Taylor & Shaw-Hardy, 2006). Shaw-Hardy (2009) also contends that the concept grew at the end of the 20$^{th}$ century because women had capacity as they had never before as a result of increased income, education and inheritance, and significantly 'women had gained control of their finances – of their wealth and consequently of their philanthropy' (p. 7).

The change from ‘donor circle’ to ‘giving circle’ is credited to the former Women’s Philanthropy Institute President, Patricia Lewis, who posited the view that ‘giving’ would resonate with women, because women tend to think of themselves as ‘givers’, thus the new nomenclature of ‘giving circles’ was adopted. Early groups did not use the new terminology of ‘giving circles’ as it was still new in the philanthropic vocabulary (Shaw-Hardy, 2009); however, as the development of collective giving began to grow the term was adopted. Media attention around the individuals who initiated and embraced shared giving was instrumental in furthering the trend (Rutnik & Bearman, 2005; Taylor & Shaw-Hardy, 2006). Giving circles were starting to have their presence felt in the early 2000s; however, to what degree they were impacting philanthropy was not understood until Eikenberry’s comprehensive study in 2005. The giving circle being explored for this thesis, Impact Austin, is one of the groups Eikenberry identified in her 2005 research. This thesis ‘shines a light on’ which of the characteristics attributed to the behaviour of giving circles are portrayed in the case organisation in this research, Impact Austin.

### 2.5.2 Classic dimensions of giving circles

Because of the variations in structure, size and foci, which is largely determined by the individuals who start them, giving circles are difficult to define. Eikenberry (2009, pp. 57-58) identifies, however, that there are generally five major dimensions to a giving circle. Earlier literature identifies six major dimensions (Eikenberry, 2005, 2006, 2007a, 2008; Taylor & Shaw-Hardy, 2006); however, in Eikenberry’s 2009 literature the first two factors – that is, individual members pool funds and give away resources – have been integrated into one. These classic dimensions defined by Eikenberry are cited in all future research and discussions of giving circles:

(1) individual members pool and give away resources;

(2) members are educated about philanthropy and issues in the community;

(3) they include a social dimension;

(4) they engage members; and

(5) they maintain their independence from nonprofit organisations.

The following provides a more detailed account of each of these five dimensions.

*Pool and collectively give away resources*

One of the main functions of giving circles is that they enable individuals to pool their resources and then typically distribute them to nonprofits chosen by the entire group. Some giving circles give funds to individuals doing good work (but are not affiliated with a nonprofit) and individuals in need.

Giving circle members contribute variously at an established dollar level, a suggested minimum level, or no fee is required and a free-choice amount is contributed (Bearman, 2007a; Clohesy, 2004; Eikenberry, 2005, 2006, 2009; Rutnik & Bearman, 2005; Rutnik & Beaudoin-Schwartz, 2003). Most giving circles, however, have a set membership amount and 40 per cent of the giving circles analysed in Eikenberry's study set this at US$1,000 (2005, p. 10). Impact Austin, which is the case study for this thesis, has a set contribution amount of US$1,000.

At the higher end of the spectrum are Social Venture Partners (SVPs), which started in Seattle in 1997. There are now at least 30 SVP-type giving circles throughout the United States and Canada, with one operating in Tokyo and another in Bangalore. SVP Seattle has over 500 members or 'partners', and requires an annual contribution amount of US$6,000, with a reduced annual contribution of US$2,500 for individuals under 35 years of age (www.svpseattle.org).

A number of giving circles have a tiered model of giving with multiple giving levels and suggest that it can be used as a tool to attract a more diverse membership across income levels and ethnicity (Eikenberry, 2009, p. 58; Bearman, 2007a; Rutnik & Bearman, 2005, p. 12). Rutnik and Bearman hypothesised that a stratified membership level may raise issues of influence and power; however, data from their 2005 study indicate no correlation between how grants are made and the contribution level: that is, each member still only gets one vote irrespective of contribution. Some giving circle members contribute additional funds to offset operating costs of the giving circle or to contribute more to the funds available for distribution. Other giving circles raise funds outside the group through various fundraising activities (Eikenberry, 2009).

Giving circles tend to select small grassroots organisations to support, giving larger amounts to fewer projects because they 'want to make a big impact with their funding' (Eikenberry, 2009, pp. 58-59). The more formally structured giving circles require measurable outcomes from the grant recipients and, by contrast, many less formal giving circles 'seek to create as non-bureaucratic a process as possible…trusting that people working at nonprofit organizations know what they need' (Eikenberry, 2009, pp. 58-59).

*Educate members*

There are two aspects to the component of educating givers about philanthropy and issues in the community: informal and formal. The informal is achieved through the process of grantmaking and from site visits to the nonprofit organisations being granted funding. The more formal element is through educational sessions and workshops, seminars and presentations by guest speakers. While most giving circle members are involved in the former, that is the grantmaking and site visit component, it is mainly the more formal giving circles that provide a more complete educational program for their members.

Education about issues in the community also has both informal and formal components. The informal might be through group discussion, independent research and site visits. On the other hand, some of the larger, more formally organised giving circles structure educational forums 'featuring guest speakers and panellists, from policy specialists to nonprofit professionals to gang members' (Eikenberry, 2009, p. 59).

*Provide social opportunities*

For some giving circles the social aspect is a primary focus and specific opportunities are created for members to network and socialise. Some giving circles use the social aspect as a way of enticing young professionals and for smaller, informal circles the membership view this as an important element of the experience. Eikenberry (2009, p. 60) describes this as a giving circle that has a 'social with a purpose' aspect.

*Engage members*

Giving circles are mostly volunteer-driven, even where there is some staff support. As a result of the high-engagement, hands-on philosophy of giving circles, volunteers manage almost all functions of the administration and grantmaking processes and decisions. A number of giving circles encourage volunteer opportunities for members and some choose to work directly with grantees on various projects (Eikenberry, 2009, p. 60).

*Maintain independence*

Giving circles do not tie themselves to one particular nonprofit organisation and generally it is the members who decide as a group which project the giving circle will fund. In the larger, more formal giving circles this can be through a multi-step and often complex process. Giving circles are funders to nonprofit organisations and maintain control over the distribution of gifts.

Eikenberry (2009, p. 61) suggests that there may be blurring of boundaries in the definition of giving circles, particularly as there are giving circles associated with university foundations that, while remaining independent and still deciding which projects the money will support, are limited to funding within the university. Eikenberry further suggests that perhaps these groups do not count as giving circles except that they do share some of the other characteristics as described above.

### 2.5.3 Typology of giving circles

Eikenberry's 2005 analysis of 188 giving circles, interviews with 30 individuals and a case study of an organisation, of which nearly all members participated, sought to create a typology of giving circles. From Eikenberry's research of the giving circle landscape three major types of giving circles were identified: small groups, loose networks and formal organisations (2005; pp. 6-7). While all three groups share the basic principles of collective giving, there are some characteristics that are unique to each group.

*Small groups*

Small groups consist of a small number of people (25 or fewer) pooling their funds and then deciding together where to give them away. Amounts offered by individuals tend to be equal and range from US$50 to US$5,000; however, it was identified that a number of small groups had no set fee and the contribution is left to individual discretion. Leadership is often shared and all members participate in the decision-making process. Projects to be funded are decided either by consensus or voting. The social and educational experience of the members is a major focus of small groups. The social interaction is gained through discussion and the educational component is informal and obtained through the grantmaking process, site visits, meetings with nonprofit staff and information sharing.

Small groups have less emphasis on volunteering or substantial engagement with funding recipients. A number of small groups are 'hosted' or sponsored by another organisation. Hosting giving circles is described later in this thesis. Through small-group giving circles everyone is given the opportunity to be involved in the philanthropic experience, irrespective of their giving capacity.

*Loose networks*

Loose networks typically consist of a core group of people who direct the grant decision-making for the group with a broader network of 'members' participating intermittently through fundraising events. There is typically no minimum fee to participate and small contributions are made at fundraising events. It is the fundraising events that provide the funding for projects.

Loose networks are characterised by their flexibility and organic nature as well as by being as non-bureaucratic as possible. Decision-making occurs in an ad-hoc way in response to the needs and desires of individuals within the group. Group members tend to all administrative functions of the giving circle with little to no support required by a host organisation. The activities of the groups are primarily social, with very little emphasis on educating members about the community or about the charitable programs they are supporting. Members view their affiliation with the group as an alternative to volunteering. Eikenberry’s (2005) analysis found loose networks are particularly attractive to women.

*Formal organisations*

This form of giving circle is more prescribed in its structure and decision-making processes. Impact Austin, the case organisation in this thesis, is a large and formal giving circle and at the time of the research for this thesis, had 542 women-only members. Formal organisations have a more formal governance structure with a board, committees and members and frequently engage professional staff support. They tend to have a larger membership and the fee is higher compared to small groups and loose networks.

Grantmaking decisions usually involve committees making decisions directly or making recommendations for a full membership vote. Its major foci are educating members about philanthropy and community issues, as well as engagement with funding recipients. Most formal organisations have an element of educational programming as well as the informal educational opportunities associated with grantmaking. Direct engagement with nonprofit organisations is strongly encouraged and about half of the formal organisations in Eikenberry’s (2005) study provided their members volunteering opportunities with the nonprofit organisations they supported.

### 2.5.4 Host organisations

Many giving circles choose to be 'hosted' by another organisation and, in doing so, receive a range of support; the most significant is the stewarding of the giving circles' pooled funds and grant disbursement. The host may be a public or private foundation, a nonprofit organisation or association, or a university or other public institution (Bearman, 2007b). Of the three different structures of giving circles, hosting is likely to be sought by some small groups and a greater number of formal organisations (Eikenberry, 2005, 2009, pp. 61, 66 & 69). Other giving circles, particularly loose networks and many smaller groups may not require support from an established organisation, preferring and having the capacity to manage their giving circle through volunteers.

Bearman's 2007 study of 160 giving circles reports that approximately 20 per cent are un-hosted and confirmed that these are mostly giving circles with less than 25 members (2007a, p. 15). Some giving circles may obtain their own 501(c)(3) status, which gives them tax deductibility status and the ability to distribute funds to recipient organisations. Bearman reported that approximately 12 per cent of giving circles are 501(c)(3) registered entities (p. 15). For the greater majority, 68 per cent (Bearman, 2007a, p. 15), this will not be the chosen path and they will require host organisation support. Of this number, 52 per cent are hosted by the local community foundation and are generally set up as a donor-advised fund (Rutnik & Beaudoin-Schwartz, 2003). The growth in community foundations in the 1990s, and in particular donor-advised funds (Tempel et al., 2011), correlates with the emergence of giving circles into the United States' market at that time.

### 2.5.5 Start-up phase

The literature on the start-up of giving circles is covered by a number of authors (see for example Andris, 2011; Clohesy, 2004; Rutnik & Bearman, 2005; Rutnik & Beaudoin-Schwartz, 2003; Shaw-Hardy, 2000; Strotz & Bigelow, 2008) and for the most part, is fairly similar. While there is no ‘giving circle template’, it appears that ‘toolkits’ have built on each other over time. The role of leadership at the formation stage of the circle is paramount and members confirm that often the idea to start a giving circle comes from hearing the story of one that is already established and from there it is the motivation of a small number of individuals who will develop it (Bearman, 2007a).

In Bearman’s 2007 study of 160 giving circles, 94 per cent said that an individual with the idea was a ‘significant’, ‘very significant’ or ‘most significant’ catalyst for the formation of their giving circle and 96 per cent of founders listed ‘concern about community needs and desire to make a difference’ as a significant factor for their motivation to start a giving circle. Other factors included the appeal of leveraging resources (88 per cent), and encouraging new donors (84 per cent) (Bearman, 2007a, pp. 9-10). In identifying that leadership and the commitment of founding members are the two most significant elements in the start-up phase of a giving circle, members in Bearman’s study go on to say that although over time the founders do share leadership and pass it on, ‘a circle’s founder(s) drive its creation and establish its tone’ (2007a, p. 19). This is a significant point in relation to Impact Austin’s creation and culture. At the time this research was conducted the founder and Chief Executive Officer had been at the helm for the eight years that the giving circle had been established, and although Impact Austin had numerous committees supporting all activities associated with a formal giving circle, through observation by the researcher, the key leadership role rested with her.

### 2.5.6 Scope and scale of giving circles

In 2004, the first national scan of giving circles was conducted (released in 2005) by the Forum of Regional Associations of Grantmakers and at that time more than 200 giving circles were identified in 39 states in the United States and the District of Columbia, and detailed information was reported from 77 of them (Rutnik & Bearman, 2005, p. 6).

That study indicated that giving circles engaged 5,700 donors and US$44 million had been raised (Eikenberry, 2009, p. 57; Rutnik & Bearman, 2005, p. 6). Eikenberry's (2005, p. 1) study coincided with Rutnik and Bearman's and included the analysis of 188 giving circles (the total population of giving circles she was able to identify in the United States and Canada), interviews with 30 giving circle leaders and members, and philanthropic professionals who were supporting them, and a case study of a giving circle which included interviews with almost all members.

The Forum of Regional Associations of Grantmakers conducted a second study in 2006 (released in 2007) and identified more than 400 giving circles and collected detailed information from 160 of them (Bearman, 2007a, p. 5). This research found that giving circles engaged more than 11,700 donors, had raised more than US$88 million and had granted nearly US$65 million (Bearman, 2007a, p. 5).

Since then it is estimated that the number of giving circles identified throughout the United States and Canada is well over 500 groups and it is estimated they have contributed over US$100 million to nonprofit organisations engaging more than 12,000 giving circle members (Eikenberry & Bearman, 2009, p. 10). In 2006 alone, giving circles granted US$13 million. Of significance in Bearman's 2007 study is that one third of the giving circles surveyed were newly formed in 2005 or 2006 and 27 per cent had been through more than five rounds of grantmaking (2007a, p. 2).

As is indicated in Bearman's 2007 data, not all funds are granted as many giving circles retain a portion of their funds to build a larger philanthropic fund or endowment (Rutnik & Bearman, 2005). Anecdotal reports indicate that there may be as many as 800 giving circles now operating in the United States alone. At least five newly-formed giving circles are now known to be operating in Australia and others have been identified in Singapore, Bangalore, Japan, South Africa, Ireland and Great Britain. According to Eikenberry and Bearman (2009, p. 10) it is impossible to quantify exactly the number of giving circles operating because of their grassroots nature.

### 2.5.7 Donor diversity

Giving circles are providing a supportive and empowering way for women to experience philanthropy, whether it is for the first time, or for those more familiar with giving (Bearman, 2007a). Traditionally a gateway for women's philanthropy (see for example Bearman, 2007a; Clohesy, 2004; Eikenberry, 2005; Rutnik & Bearman, 2005; Rutnik & Beaudoin-Schwartz, 2003; Taylor & Shaw-Hardy, 2006) giving circles are generally bringing younger female participants 'to the philanthropic table', as well as other groups for whom organised philanthropy is a new experience (Eikenberry, 2005, 2007a, p. 3).

Eikenberry (2005, p. 9) identified that of the 188 giving circles in her study, 44 per cent were women-only groups and many of the other giving circles had a high female presence. Only two groups were found to be men-only and across the three different types of giving circles it is loose networks that have a predominantly female membership. Rutnik and Bearman (2005, p. 7) found that of the 77 giving circles in their study, 57 per cent were women-only or majority female. They also identified 42 per cent were mixed gender, with one men-only group.

Bearman's (2007a, p 7) research of 160 giving circles identified that 53 per cent were women-only giving circles and that 47 per cent were either all-men or co-ed groups. Impact Austin is a woman-only group with 542 members at the time of this study. Men are invited to join Impact Austin as 'Friends of Impact Austin' and their financial contributions are not included in the funding pool, rather they are used to offset operating costs of the organisation. Data from Bearman's (2007a, p. 7) study is based on giving circles rather than giving circle membership; when adjusted to the number of participants, 81 per cent of giving circle participants were women and 19 per cent were men. While this data indicates an overwhelming dominance towards women being members of giving circles, participation by men is increasing (Bearman, 2007a).

Data from research (Eikenberry, 2005, 2006, 2009; Rutnik & Bearman, 2005; Bearman, 2007a) indicates that giving circles attract members of different ethnicity, backgrounds, ages and wealth levels. Many are deliberately intergenerational and several are age-specific groups. Impact Austin hosts a second-generation giving circle with membership open to young women aged 12 to 18 years with each member contributing US$100 per year to a pooled fund. In 2012, 'Girls Giving Grants' had awarded its sixth grant of US$5,700 (www.impact-austin.org). Bearman (2007a, p. 7) identified in her study of 160 giving circles that on average eight per cent of their members are African-American and nine giving circles in this study were composed almost entirely of donors of colour. The sample also identified that the membership of six circles was almost entirely Asian-American and two giving circles had a majority Latino membership.

Membership of giving circles is made up of individuals of all wealth levels (Bearman, 2007a), although data suggests that they are mainly attracting individuals from the middle- and upper middle-class strata – practicing or retired professionals, stay-at-home mothers and housewives. People with mega wealth also participate (Eikenberry, 2005, p. 10). A large number of nonprofit professionals are also members of giving circles and Eikenberry suggests this inclusivity is a positive move as the nonprofit professionals provide a ‘voice’ within the group on behalf of nonprofits (2005, p. 10, 2009, p. 86).

Bearman’s study (2007a, p. 7) of 160 giving circles reported that 59 per cent of members were between the ages of 40 and 65; 11 per cent were over age 65; 28 per cent were between 25 and 40; two per cent were between 18 and 25 and less than one per cent was under 18. Eikenberry’s study (2005 p. 9), however, indicated that of the 69 giving circles for which age-related data was available, 84 per cent included members that are younger than 40 years of age. Eikenberry suggests that it would be unusual to have younger adults participating at this more engaged level as typically younger adults volunteer their time rather than make donations.

### 2.5.8 Motivation to join a giving circle

In studying women’s giving Taylor and Shaw-Hardy (2006; Shaw-Hardy, 2009) identified six primary motivations for women’s philanthropy, which they call the ‘Six C’s of Giving’. While the ‘Six C’s of Giving’ were not originally developed to understand the motivations for joining a giving circle per se, they are cited as being the foundation on which many giving circles – including Impact Austin – are built (Power, founder of Impact Austin, as cited in Shaw-Hardy, 2009). The ‘Six C’s of Giving’ (Taylor & Shaw-Hardy, 2006, pp. 191-192) are outlined as follows:

- *Create:* women want to create new solutions to problems. Women like to be entrepreneurial with their philanthropy.
- *Change:* Women give to make a difference. Women are less interested in providing unrestricted support to preserve the status quo of an organization or institution.
- *Connect:* Women prefer to see the human face their gift affects. Women want to build a partnership with people connected with the projects they fund.
- *Commit:* Women commit to organizations and institutions whose vision they share. Women often give to the organizations for which they have volunteered.
- *Collaborate:* Women prefer to work with others as part of a larger effort. Women seek to avoid duplication, competition and waste.
- *Celebrate:* Women seek to celebrate their accomplishments, have fun together, and enjoy the deeper meaning and satisfaction of their philanthropy.

A case study of six women serving in a giving circle at a public Midwestern University was conducted by Beeson (2006) to determine if the experiences of the participants supported the ‘Six C’s of Giving’ women’s philanthropy framework. Findings reported that there was evidence to support the framework in four of the ‘Six C’s of Giving’ (create, change, collaborate and connect); however, there was minimal evidence to support the two remaining ‘C’s’ in the framework (commit and celebrate) (Beeson, 2006, p. 122). This thesis serves to understand whether or not it is evident that the experience of the members of Impact Austin align with the ‘Six C’s of Giving.

Taylor and Shaw-Hardy (2006, p. 192; Shaw-Hardy, 2009, pp. 8-9) added the following three ‘C’s’ to the list in 2005, as they recognised that women’s roles in philanthropy and society had continued to evolve:

- *Control:* Women are taking control of their lives, their finances and their philanthropy. Women want more accountability from their philanthropic gifts.
- *Confidence:* Women have gained the confidence to become philanthropic leaders.
- *Courage:* Women have the courage to challenge the old way of doing things and take risks with their giving to bring about change.

Taylor and Shaw-Hardy (2006) suggest that giving circles are the ideal vehicle for women to satisfy their hunger for meaningful engagement in community. They also contend that the web-like effect of a giving circle, which branches out and invites other prospective members to join outside of the immediate friends of the original founding group, will maximise informal social ties that builds community and expands networks.

Giving circle members are wanting to become more engaged in the giving process – to be doing more than just writing a cheque; having an opportunity to interact directly with grantees is one of the most cited reasons why individuals join giving circles (Eikenberry, 2009, pp. 75-76). This is especially so for formal organisations, particularly those organisations where volunteering with agencies is part of the giving circles' philosophy. For others, the more engaged philanthropy they are seeking comes through the hands-on process of reviewing proposals and site visits to prospective grantee organisations. Others are motivated by the control they gain through their giving circle experience. Alternatively, some members, mainly women, like the minimal time commitment involved. These members saw their involvement as an alternative to volunteering. All types of giving circles cited the fun and social aspect of their involvement as a motivator to their membership and this is more prevalent for those participating in loose network giving circles. The research in this thesis provides the opportunity to explore the level of engagement in grantmaking processes and control over their philanthropy that the members of Impact Austin seek to have.

Women are also motivated by the empowerment the concept of the giving circle brings and the literature cites many examples of women who have started giving circles after reading a magazine article about collective giving. The case giving circle for this thesis, Impact Austin, was started after the founder read an article in a magazine which was based on a giving circle operating in Cincinnati in the United States (Shaw-Hardy, 2009). Shaw-Hardy, an expert on women's philanthropy, also started a giving circle after she read an article in a magazine in 1998 (Shaw-Hardy, 2009; Taylor & Shaw-Hardy, 2006).

The sense of being a part of something much bigger and leveraging the amount of money an individual contributes is also very appealing to giving circle members (Andris, 2011; Eikenberry, 2009; Rutnik & Beaudoin-Schwartz, 2003). Other motivating factors cited by members include the chance to give back and make more of an impact in the community, learning more about nonprofit organisations and issues in the community, and becoming better philanthropists. The safety and anonymity of the giving circle is also attractive to many members. To promote a philanthropic behaviour, whether it is to other women, their children or their peers, is also reported as a motivating factor (Eikenberry, 2009, pp. 76-77).

### 2.5.9 Cultivating philanthropy

One of the key principles of giving circles extracted from the literature is to educate members about philanthropy and studies suggest that this philosophy is being upheld. Bearman (2007a, p. 6) reports that of the 160 giving circles surveyed for the Forum of Regional Associations of Grantmakers study, 35 per cent claimed that their members had contributed money directly to the organisations their giving circle funds and 27 per cent said that their members give to additional organisations as well. Sixty-five per cent said that their members volunteer for organisations, and 43 per cent of these members sit on nonprofit boards. Other forms of giving included in-kind support, pro-bono professional services and providing introductions to other donors to fundraising staff. For those members who are already familiar with philanthropy, their giving has increased and extended beyond the organisations they are already supporting (Eikenberry, 2005, 2006, p. 523; 2009). Eikenberry (2005, 2009) suggests that members are giving to new organisations and issue areas because of their participation in a giving circle with members citing that they now have a greater understanding and awareness and have been ‘forced’ to think about issue areas they would not normally have pondered (2009, p. 101). This is also evidenced in Andris’s (2011) research, whose study participants indicated that their awareness of issues and participation in their community had substantially increased due to membership of a giving circle.

Eikenberry and Bearman's 2009 study included surveys by 341 current and past giving circle members from 26 giving circles as well as interviews with 30 giving circle members from 11 giving circles. The data was compared to a control group of 246 participants and significant in the findings were that: giving circles influence more giving; giving circle members are highly engaged in their community; and that members' knowledge about philanthropy, nonprofits and the community is increased through their giving circle participation (p. 4). Giving circle donors are also influenced to give more strategically and more likely to 'advance a vision for change' and do intense research, which includes studying the performance data of organisations before making gifting decisions. They are also more likely than the control participants in the study to support a nonprofit organisation's operating expenses in addition to, or instead of, funding specific programs (p. 5). Length of time with the giving circle and level of engagement positively correlates with their giving strategy (p. 5).

As well as thinking more strategically about their giving, members are giving in a different way; that is, rather than responding to appeals in an ad-hoc manner, members report being more deliberate in their giving and give to a wider array of organisations. This approach is evidenced by members commenting that because of the exposure they have to nonprofits and issues in the community, they are directing their giving where they believe it will have more impact. This more strategic view of philanthropy correlates with John et al. (2007) who describe philanthropy as 'engaging the head and the heart with an organised and planned strategy, rather than only reacting to donation requests in an ad-hoc manner' (p. 46). The conclusion from the literature is that members are giving more and are expanding the variety of organisations to which they give their money and time (Eikenberry & Bearman, 2009).

Eikenberry and Bearman's study concluded that there is a correlation between highly engaged giving circle members and increased giving. Data also suggests that individuals who are not highly engaged in philanthropy before joining a giving circle may be influenced to give more as their participation level in the group increases (p. 26). Rutnik and Bearman (2005, p. 14) and Taylor and Shaw-Hardy (2006, p. 119) similarly emphasise that for many members their donation to their giving circle is a stretch gift and is often the largest single gift members have given.

### 2.5.10 Learning together and building community

As outlined above, learning about philanthropy is an important aspect of giving circles but learning about community is also a significant factor according to various studies. Work by Bearman (2007a), Eikenberry (2005, 2006, 2008, 2009), Eikenberry and Bearman (2009), Rutnik and Bearman (2005), Strotz and Bigelow (2008) and Taylor and Shaw-Hardy (2006) all identified both informal and formal opportunities for furthering the giving circle members' understanding of both community issues and philanthropy. Informal education is gained through the grant process, site visits and discussions, while the formal is typically developed through structured presentations and panel discussions with key civic leaders and nonprofit agencies. Some giving circles provide workshops on evaluating grants and nonprofit financial reporting, which was also considered to be highly valuable to giving circle members (Bearman, 2007a).

Bearman suggests that the giving circle members surveyed for her 2007 study were more 'passionately' engaged in community and that through their involvement with giving circles they had ‘become deeply involved in nonprofit organizations they may never have known existed’ (2007a, p. 2). Sargeant and Shang (2010) also suggest that while it is not unique to women’s philanthropy, a key feature of most successful women’s philanthropy programs is a strong donor education component. Sargeant and Shang posit the view that such programs enable women to come together in a safe environment to ‘explore how philanthropy can help express their values, vision, and voice’ (p. 551).

Not just learning about community but also *building* community is a key principle of giving circles and research indicates members view the participatory process of their grantmaking, and their involvement in the organisations they support, as rewarding and enriching. Donors are seeking a more rewarding philanthropic experience than passive ‘cheque book’ forms of philanthropy and the engagement offered through giving circles is appealing to many donors (Bearman, 2007a; Eikenberry, 2005, 2006, 2007a, 2008, 2009; Rutnik & Bearman 2005).

Data from Bearman’s 2007 survey study of 160 giving circles throughout 37 states in the United States and the District of Columbia found that 50 per cent of giving circles visited organisations their giving circle was considering funding and 35 per cent held meetings with nonprofit staff to learn more about the organisations. Some of the smaller giving circles simply ask members to research organisations and report back to the group (2007a, p. 13).

#### 2.5.11 Democratising philanthropy

Eikenberry’s typology of giving circles – small groups, loose networks and formal organisations – was used to question the assertion that giving circles are democratising philanthropy. Building on democratic and philanthropic theories, a definition was developed that asked three critical questions that would test whether or not giving circles are in fact democratising philanthropy (Eikenberry, 2005, 2006, 2007a, 2009):

- Do giving circles provide opportunities for democratic participation?
- Do giving circles broaden members' identification with the needs of others?
- Do giving circles expand who benefits from philanthropy?

Eikenberry tested the assumption and found that giving circles do in fact democratise philanthropy, to varying degrees, and this depends on the size, structure and activities of the giving circles (2005, p. 1, 2007a, p. 1). The literature addresses the three questions as follows.

*Opportunities for democratic participation*

A democratic group is one that is inclusive of members across a range of type, for example ethnicity, religion, economic strata, gender and age, and the more heterogeneous the group the greater opportunity to cultivate public discourse (Gutmann, as cited in Eikenberry, 2009, p. 5). Interviews and information from other resources used to triangulate data suggest that giving circles do attract individuals from diverse backgrounds (Clohesy, 2004; Eikenberry, 2005, p. 9, 2009, p. 83; Rutnik & Beaudoin-Schwartz, 2003); however, this diversity appears to be across the groups rather than within the group. Studies also indicate that giving circles are attracting a substantial number of members who are new to organised philanthropy (Bearman, 2007a; Eikenberry, 2005; 2009, p. 86; Eikenberry & Bearman, 2009; Rutnik & Bearman, 2005).

Homogeneity is evident within the giving circles for which there is data, less so in the area of wealth than in ethnicity, age and gender. Given that word-of-mouth and referral is the most likely recruitment tool for giving circles it is not surprising that there is homogeneity within the groups, as individuals will most likely reach out to their own networks to invite them to participate in the circles (Clohesy, 2004; Eikenberry, 2005, p. 11, 2009, p. 86).

Giving circles provide a substantial amount of opportunities for democratic participation and on many levels but it varies depending on the type of giving circle (Eikenberry, 2009, p. 91). Formal organisations are more systematic in their approach and processes are more likely to be stringent and complex. Because of the size of formal organisations and loose networks, members can be as involved as they wish to be. Education programs for members of formal organisations are more comprehensive and there is a strong emphasis on engagement with nonprofit organisations (Eikenberry & Bearman, 2009, p. 13). Formal organisations usually have a board and committee structure, and grantmaking decisions are made either by the committees or by them making recommendations to the membership for voting. The structure of small groups often means that the leadership is shared and all members are involved in deliberations.

*Broadening members' identification with the needs of others*

Identification is developed between giving circle members through networking, friendships and social interaction. Members are also making new connections with nonprofit leaders, as many of them are members of giving circles. In addition to that, opportunities are created to broaden members' identification with nonprofit leaders through speaking engagements, other networking forums and during the grantmaking and site visit processes. All of these opportunities serve to deepen the understanding that members gain of the nonprofit sector. Direct contact with individuals in need is less likely for the members of small groups and formal organisations, however may be created between those individual gift recipients and members of loose networks (Eikenberry, 2005, p. 16; Eikenberry, 2009). Through both informal and formal education gained by members through their participation in the giving circle there is a heightened understanding about issues and problems faced by these individuals thus creating identification between members and individuals in need (Eikenberry, 2005, 2009, p. 95).

*Expanding who benefits from philanthropy*

Generally, giving circles have three options for directing their giving: to a nonprofit organisation, to an individual doing good work (but not affiliated with a nonprofit) and to an individual in need. Loose networks will most likely give to an individual in need or to an individual doing good work. When giving to nonprofit organisations, formal organisations and small groups will most likely seek out small, grassroots organisations as they want their gift to have a big impact (Eikenberry, 2005, p. 17).

From the literature it does appear that giving circles are expanding philanthropy to give to new issues and areas in the community. Some of the programs being funded by giving circles would most likely not have been funded if not for the giving circle (Eikenberry, 2005, p. 17). While some giving circles will only fund entrepreneurial nonprofits who fly under the radar of some funders, by contrast some giving circles will only fund organisations that have a ‘documented history of successfully implementing major projects and properly administering large grants' (Everychild Foundation as cited in Eikenberry, 2005, p. 17).

Based on the criteria that Eikenberry set for testing the notion that giving circles are democratising philanthropy, it would appear that they are (Cobb, 2002; Eikenberry, 2005, 2007a; Jonsson, 2004; Shaw-Hardy, 2009) by 'making financial giving an every day experience for people of every level of financial means' (Clohesy, 2004, p. 8). Whether or not there is evidence that Impact Austin is in fact democratising philanthropy will be highlighted in this thesis.

### 2.5.12 Paradigm shift

Giving circles are part of the 'new philanthropy' identified in the literature where donors are described as seeking a different relationship with the recipients of their philanthropy. The donors of this new paradigm want collaboration across groups and are looking for more hands-on direct modes of giving and volunteering opportunities. Also of interest is a focus on small organisations, issues and grassroots problem solving (Eikenberry, 2005, 2007a, 2007b, 2008; McCully, 2000).

Giving circles have emerged from an environment whereby the 'new philanthropy' has forged a place in the philanthropic landscape. Giving circles have been created because members want to be more involved in their community; they are seeking engagement and they want more say and impact with their philanthropy. Giving circle members are seeking to be engaged with community in their own way, and outside of the structure of traditional philanthropy and associations (Eikenberry, 2007b). Large philanthropic institutions have directed much of the current environment of modern philanthropy (Eikenberry, p. 871) and donors have become increasingly alienated from the philanthropic relationship (Ostrander & Schervish, 1990). Nickel and Eikenberry (as cited in Eikenberry, 2007b) contend that 'the social aspect of philanthropy has been lost to an emphasis on the economic transaction of the gift' (p. 871). Eikenberry and Bearman in an article for the *Canadian FundRaiser* newsletter (n.d., para.13) suggest to nonprofit organisations that they must 'be ready for giving circles, understand the changing structure of fundraising and philanthropy…and be ready to respond when you are "found"'.

### 2.5.13 Eikenberry's 2007 research

Giving circles are a highly participatory form of collective giving (Rutnik & Bearman, 2005) and literature reviewed for this thesis indicates that they continue to grow in number in both the United States and elsewhere throughout the world (Bearman, 2007a), including Australia where at least five newly-formed giving circles are known to be operating.

Classic elements of giving circles are that they do not tie themselves to nonprofit organisations, they are highly engaged in their grantmaking processes, they are hands-on and demand high levels of accountability from the organisations they support (Eikenberry, 2005). However, until Eikenberry's study in 2007 it was not known how nonprofit professionals were responding to this new form of philanthropy.

From interviews with 17 fundraising professionals from nonprofits that had received funding from giving circles, ranging from US$1,000 to US$167,000, findings indicated that while the experience nonprofits had with giving circles was generally positive, there were some areas of tension between themselves and the funders (Eikenberry, 2007a, p. 5). The following table provides a summary of the key positives, challenges and opportunities expressed by the nonprofit professionals in this study.

*Table 2.1:* Summary of findings from a study of nonprofit organisations (Eikenberry, 2007a, pp. 8-17)

| Positives | Challenges | Opportunities |
|---|---|---|
| New fundraising territory to be navigated. | 'Flavour of the month' giving (in the context of one-time funding). | Clear and transparent process that is as simple as possible. |
| Value beyond the funding e.g. contacts, volunteers, seal of approval, capacity building resources. | Time consuming relationships (especially true for giving circles that require more cumbersome application processes and a higher level of interaction with the funding recipient). | To attract a giving circle nonprofit leaders have to network, build awareness, 'be found' by giving circles, having good public relations is critical. Executive Director needs to be 'out there'. |
| Formal organisations provide multi-year funding. | Perceived lack of transparency. | Recognise that nonprofits don't always need volunteers |
| Private philanthropy – for specific projects, capacity building, general and operating expenses. | Difficult to impossible to connect with donors of the giving circle. | Be available to give presentations and facility tours and find 'champions' to present the organisation's case. |
| Small groups and loose networks were informal, fun, flexible process. | Some giving circles do not allow funding recipients opportunities to interact with members (seems to counter the value-add element). | View the relationship with recipients as a 'two-way street' (open communication, transparency, and paying attention to each others' needs). |
| Personal dimension to the relationships (more so than with other funders). | Challenging and confusing funding process. | Consider funding operating costs, administration costs, overhead, not just program costs. |
| Volunteers and Board role. | Too directive funding. | Take a chance on backing new solutions |
| Opportunity to provide giving circle members a more nuanced and 'larger view' of the organisation. | Some Social Venture Partner affiliates require, or strongly recommend, a board position for one of their partners. | Allow more contact and encourage and facilitate contact among fundees (as would be indicative of a true partnership). |
| Annual event hosted by giving circle for funding recipients to meet each other and giving circle members. | Cautious about applying for Formal Organisation funding because of the interactions and expectations. Can be very time consuming and difficult, because of the new relational terrain, make sure it is a good match. | Provide support that the nonprofit organisation *really needs* (rather than what the giving circle members think they need). Should be driven by the need of the organisation rather than funding that is donor-directed. |
| 'Bonus' funding (cannot be relied upon). | Lack of sustainability and uncertainty. | Ask hard questions. |
| | Not as transformative as the rhetoric of the giving circle conveyed. Received funding but nothing else; no new donors, contact, or other value-added elements that make giving circles unique. | View participation in the giving circle as a first step for a longer-term investment in supporting organisations and causes they believe in. Find a couple of groups that really make a difference and invest in them. |
| | Two Executive Directors experienced a patronising attitude from members. Runs counter to the value-added, multidimensionality potential of a giving circle. | |

To this point, Eikenberry's 2007 research is the only published research undertaken to understand the impact giving circles are having on nonprofits and the way they (nonprofits) are adapting to this new style of philanthropy. The case study for this thesis, in which the range of relationships are explored between Impact Austin and the nonprofit organisations it supports, builds on and advances the body of knowledge of giving circles and their relationships with nonprofit organisations.

As the growth of giving circles continues throughout the United States and Canada, and this 'new philanthropy' emerges in Australia and other countries, this thesis will inform practice for nonprofit organisations and giving circles in their future relationships with each other. The thesis will also contribute to the field of relationship fundraising, as it will embed more knowledge into this significant area of donors' and nonprofit organisations' engagement with each other. This research is important because it will also provide understanding for fundraising professionals as to how they might best work with donors who are seeking to have more say in where their philanthropy will be directed, whether those donors are members of giving circles and the 'new philanthropy' or if they are donors engaging with nonprofits through more traditional fundraising methods. Finally, this is the only Australian academic exploration in this growing area of giving circles and it takes the United States case experience and interprets its factors for their value in an Australian context.

## 2.6 Chapter Summary

As the literature reviewed for this thesis identifies, giving circles are a significant source of different and extended resources for nonprofit organisations and, although they partner with nonprofit organisations to fund the delivery of programs, they are not content to be involved in passive, traditional, institutionalised philanthropy. They are highly engaged, hands-on philanthropists, and they are doing it their way.

While this literature review has focused on giving circles as one mode of giving in the ‘new philanthropy’ environment, it is set within: the literature of philanthropic psychology and understanding the motivations of donors; the academic and practice-based literature on philanthropy and fundraising marketing, which identifies the changing behaviours and expectations of donors; to a view of donors and nonprofit organisations and the more traditional ways that donors facilitate their philanthropy.

The literature also identifies that giving circles are growing in number and their influence on members’ philanthropic and civic behaviours, knowledge and attitudes. Three major studies have been conducted to scan the United States to get a true picture of the growth and impact of giving circles and these reports are presented in this thesis to provide the scope and scale of this new phenomenon (Rutnik & Bearman, 2005; Bearman, 2007a; Eikenberry & Bearman, 2009). Also highlighted in this review is the diversity of donors that are joining giving circles and national statistics have been provided.

Finally, the findings from the one and only academic study undertaken so far to understand the impact that giving circles are having on nonprofit organisations is presented. Eikenberry’s 2007 research gathered data from 17 nonprofit organisations that had received funding from giving circles, the findings of which identified a number of benefits and challenges.

Findings from Eikenberry’s 2007 research indicated that although the experience nonprofits had with giving circles was generally positive there were some areas of tension between themselves and the funders. Highlighted as positive elements were: the value of the relationship beyond the funding; that some formal organisations provide multi-year funding; the private philanthropy of donors, which was for specific projects, capacity building, and general and operating expenses; and the personal dimension to the relationships. Areas of tension highlighted in the report were: that working with formal organisations can be time consuming and difficult; apart from the funding, the nonprofit organisation received no other 'value-add' for example, no new donors or contacts; challenges to the funding process; funding that was too directive; and a perceived lack of transparency (2007a, pp. 7-17).

Having reviewed the relevant literature, and the gaps in the knowledge about giving circles, and building on Eikenberry's 2007 study, I have identified one central research question and, to explore that, two sub-questions:

***Research Question:***

*What are the relationships between giving circle members and the nonprofit organisations they support?*

***Sub-questions:***

*1a What are the range of stakeholder experiences of giving circles and nonprofits working together?*

*1b How best might giving circles and nonprofits work together?*

The following chapter provides a detailed explanation of the research design adopted to gather data for this thesis in order to investigate these questions.

# Chapter 3: Research Design

## 3.1 Introduction

As outlined in Chapters One and Two, this thesis seeks to understand the relationships between giving circle members and the nonprofit organisations they support. Having reviewed relevant literature, with a focus on giving circles, and presented a comprehensive overview of giving circles as one mode of the ‘new philanthropy’, it is now fitting to describe the research design employed to collect data for this thesis to arrive at an answer to the central research question. The purpose of this chapter is to provide details of how the research was constructed for this thesis. Also explained in this chapter is the research approach adopted to gather data for this thesis as well as the recruitment process undertaken to invite participants into the research. In addition, the chapter highlights ethical considerations, including a potential conflict of interest. Details of the data collection method adopted and the schema developed by the researcher for analysing the data is also described.

This exploratory thesis examines the experiences of eight members of Impact Austin, a formal giving circle operating in Austin, Texas, United States, and 12 representatives from 10 nonprofit organisations that had received funding from Impact Austin since its first grant distribution in 2004. The overall purpose of the research is to:

- understand the relationships between giving circles and nonprofit organisations;
- gain insight into how nonprofits are responding to this new style of high-engagement, hands-on philanthropy;

- uncover and describe the participants' perspectives on the relationships that exist between giving circles and the nonprofit organisations they support;
- build on previous research and offer fresh insights into the relationships between giving circles and the nonprofit organisations they support.

From this broader purpose, and the research framework that was presented in Chapter Two, one central research question was identified and, to explore that, two sub-questions developed:

***Research Question***

*What are the relationships between giving circle members and the nonprofit organisations they support?*

***Sub-questions***

*1a What are the range of stakeholder experiences of giving circles and nonprofits working together?*

*1b How best might giving circles and nonprofits work together?*

## 3.2 Research Approach

In an effort to understand the relationships that exist between giving circle members and the nonprofit organisations they support, qualitative case study design is used to meet the aims of this thesis and to address the research questions. Yin (1984) defines the case study as an 'empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used' (p. 23). Creswell (1998) defines the case study as 'an exploration of a “bounded system” or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context (p. 61). Based on both Yin’s and Creswell’s definitions, the case study tradition was determined as an appropriate research method to proceed with this exploratory thesis. The appropriateness of this approach is based on a number of elements: firstly, giving circles as the unit of analysis are new and not widely studied, therefore suggesting that they are ‘contemporary phenomenon’ is accurate; secondly, a ‘bounded system’ is defined by ‘time and place and is the case being studied – a program, an event, an activity, or individuals’ (Creswell, 1998, p. 61) – in this research the ‘bounded system’ is Impact Austin. Marshall and Rossman (2006) also suggest that studies that focus on ‘society and culture in a group, a program or an organization, typically espouse some form of case study as a strategy’ (p. 55). Case study research is a qualitative approach and the researcher seeks to gain understanding through the ‘real life’ experience in a bounded system: the case (Creswell, 2013, p. 97).

To meet the overall purpose of this thesis it is necessary to gain a rich understanding of the experiences of each of the stakeholders of Impact Austin and the nonprofit organisations. To achieve this, qualitative research is considered most robust. A quantitative approach, which collects numerical data to explain phenomenon (Creswell, 1994), would not have delivered the same outcomes. Marshall and Rossman (2006) emphasise that the unique strength of the genre for qualitative research that is exploratory or descriptive is that it ‘searches for a deeper understanding of the participants’ lived experiences of the phenomenon under study’ (p. 55). Mack, Woodsong, MacQueen, Guest and Namey (2005) support the value of qualitative research methods for their ability to provide a ‘human side’ of an issue (p.

1). While a case study is a valuable way of studying phenomena within its context (Baxter & Jack, 2008) the limitations of case study research are recognised; in particular, single case design is acknowledged for its 'inability to provide a generalising conclusion' (Zainal, 2007, p. 2). Zainal suggests 'triangulating the study with other methods to overcome this to confirm the validity of the process' (p. 2).

To collect data from the eight members of Impact Austin and 12 representatives from 10 nonprofit organisations, semi-structured, in-depth interviews are used. This method was chosen as it is interpretive and emergent, and is grounded in the frame of reference of the participants (Marshall & Rossman, 2006). While the primary advantage of using in-depth interviews is the level of detail able to be obtained, which is far greater than if other data collection methods are used (for example surveys), there are also a number of limitations to interviews: they can take an intense amount of time to conduct, the researcher may not be expert in performing the task, they are not generalisable, and bias may be an issue (Woods, n.d.).

## 3.3 Participants, Recruitment and Ethical Considerations

Having determined the research approach to be employed to meet the aims of this thesis would be a qualitative case study, the next step in the process was to identify a giving circle whose members and the nonprofit organisations they had funded would be willing to participate in the research. The researcher deemed it necessary that the giving circle would need to meet a range of criteria to ensure a rich investigation. These criteria are:

- formal in structure;
- in existence for a number of years;
- a history of grantmaking to nonprofit organisations; and

- ideally participants are located in the one geographical location.

Reaching out to this research population presented two particular challenges: a lack of visible giving circle membership at the time in Australia, and the reticence of many individuals to speak about the very personal act of giving with a stranger unless a trusted intermediary has endorsed the research. Regarding the first challenge, giving circles are in their infancy in Australia and at the time of this research, only anecdotal information was available about the existence of such groups. Desk research was embarked upon to contact groups operating in Australia; however, leads were unsuccessful: some groups had started and since folded while others were not yet underway.

To ensure the purposes of this thesis were met and the selection criteria fulfilled, which would ensure a robust case study, it was considered necessary to focus on a giving circle operating in the United States. The added benefit of a case from the United States was its sitting in a mature philanthropic market and the potential for research messages that could benefit what is described as Australia's more adolescent giving landscape (Scaife et al., 2012). The United States setting was also important to capture the first selection imperative of a formalised giving circle.

Eikenberry (2005) describes formal giving circles as having a more prescribed governance structure with a board, committees, members and frequently professional staff support. Major foci are educating members about philanthropy and community issues and creating long-term, engaged relationships with funding recipients. This criterion was developed to enable the researcher to obtain rich data from an established giving circle with a history and documented record of funding nonprofit organisations.

Obtaining access to a United States-based giving circle was always going to be problematic for an Australian-based researcher; however, this outcome was facilitated through consultation with the leading academic researcher on giving circles and permission was granted to use the giving circle database that was developed for an earlier thesis in the area (Eikenberry, 2005). In selecting a giving circle from this database of 188 groups to invite to participate in this research, the same four primary criteria were considered necessary.

Impact Austin, a formally organised giving circle in Austin, Texas, United States, was identified as meeting these criteria and, in line with the second recruitment of participant trust, an approach was made to the founder and Chief Executive Officer of Impact Austin to participate in the research. This approach was initially via email, followed up by telephone and written agreement to participate in the research was established. Because of the success of this request, Impact Austin was the only giving circle the researcher approached.

To address not only the trust issue but also the participant recruitment challenge associated with the researcher being in Australia, the founder and Chief Executive Officer of Impact Austin was asked by the researcher to assist with the sample composition. The researcher acknowledges that there could be a perception of bias by the founder and Chief Executive Officer of Impact Austin assisting with the identification of participants in this research. To decrease the potential bias a sampling plan setting out selection criteria for participants was provided by the researcher prior to contact being made with participants. The founder and Chief Executive Officer was eager for Impact Austin to learn and develop from the findings of this research and was similarly keen to ensure an objectively chosen sample. To ensure a broad range of participants in the research, considerations for the sample of Impact Austin members included:

- demographic;
- length of Impact Austin membership;
- entry mode to this giving circle; and
- depth of experience with nonprofit organisations.

Considerations for the sample of nonprofit organisations included:

- cause area;
- size of organisation; and
- length of time the organisation had been established.

To address the central research question, 'what are the relationships between giving circle members and the nonprofit organisations they support?' purposeful sampling was chosen to ensure that participants had knowledge or experience in this area. Patton (2001) highlights that purposeful sampling enables the researcher to select 'information-rich cases for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research' (p. 230).

This purposeful sample consisted of 10 Impact Austin giving circle members and representatives from 10 nonprofit organisations that had received funding from Impact Austin. While specific numbers are not given for qualitative research sample sizes, this method of enquiry typically focuses in depth on relatively small samples, selected purposefully, unlike quantitative methods which typically depend on larger samples selected randomly (Patton, 1990). Working within the time and financial resources available, the researcher determined that this number would provide richness of data to fulfil the requirements of this thesis and provide a good range of answers to the research questions.

The process for inviting participants into the research was that the founder and Chief Executive Officer of Impact Austin invited all participants by email or via personal contact, which was accompanied by a written invitation and background information provided by the researcher (Appendix 1). All participants were asked to sign a research consent form at the interview and the process operated under the Queensland University of Technology's ethics system.

### 3.4 Method and Procedure

The procedure adopted for data collection was in-depth, face-to-face interviews. Kahn and Cannell (as cited in Marshall and Rossman, 2006, p. 101) describe interviewing as 'a conversation with a purpose' and qualitative researchers rely heavily on in-depth interviewing as a primary method of data collection. The interview method enabled a real understanding of the feelings and beliefs of the participants about their giving and about being a recipient respectively, and to capture their deeper perspectives on the subject of giving circle operation.

While interviews are acknowledged for the wealth and volume of data they yield, as was mentioned earlier in this chapter, weaknesses are also inherent. Characteristic of interviews is the quantity of data obtained, which can be voluminous and time consuming to analyse (Marshall and Rossman, 2006; Creswell, 2005). As described by Marshall and Rossman (2006) flaws and limitations may exist if participants are unwilling or uncomfortable sharing the level of detail the researcher is seeking. To address this potential issue, care was taken by the researcher to outline the purpose of the thesis to participants prior to interview, to answer any questions the participant had and to guard their confidentiality.

The researcher scheduled the 20 interviews in Austin, Texas, United States. Two Impact Austin members withdrew from the research due to personal circumstances and in total 18 face-to-face interviews were conducted. Eight members of Impact Austin, including the founder and Chief Executive Officer and two founding board members, were interviewed. Of the 10 nonprofit organisations in the research, one organisation had three staff members participate, so while there were 10 nonprofit cases one site involved a three-person interview. One staff member represented each of the other nonprofit organisations and in each case it was the most senior person in the organisation. In addition to interviews, the researcher collected historical and contextual information from the founder and Chief Executive Officer of Impact Austin. Interviews were conducted in Austin, between 19 January and 7 February 2011 and ranged from between one hour and one hour and forty-five minutes. Interview times were scheduled as convenient to individual respondents, and interview locations were either chosen by the participant or by the researcher. All were environments where participants could speak openly and confidentiality was guaranteed to interview participants. The following tables profile the research participants.

*Table 3.1*: Profile of Impact Austin members who participated in the research

| Impact Austin Member | Length of Membership | Entry Mode to Impact Austin | Experience with nonprofit organisations |
|---|---|---|---|
| Interview 1 | 8 years | Self-identified | 8 years as founder of Impact Austin |
| Interview 2 | 6 years | Self-identified | Unknown |
| Interview 3 | 7 years | Self-identified | Active in community |
| Interview 4 | 4 years | Invited | Former board member of local nonprofit |
| Interview 5 | 8 years | Self-identified | Most knowledge gained through Impact Austin |
| Interview 6 | 8 years | Self-identified | Sits on board of nonprofit |
| Interview 7 | 7 years | Invited | Past board member of nonprofit |
| Interview 8 | 2 years | Invited | Has worked for two nonprofits |

*Table 3.2*: Profile of nonprofit representatives who participated in the research

| Nonprofit Representative | Participant Designation | Cause Area |
|---|---|---|
| Interview 1 | Founder/Executive Director | Education |
| Interview 2 | Executive Director | Education |
| Interview 3 | Executive Director | Family |
| Interview 4 | President/CEO<br>Vice President<br>Project Manager | Family |
| Interview 5 | Executive Director | Environment |
| Interview 6 | Executive Director | Health & Wellness |
| Interview 7 | Executive Director | Education |
| Interview 8 | Executive Director | Education |
| Interview 9 | President/CEO | Culture |
| Interview 10 | Executive Director | Family |

## 3.5 Instruments

Interview protocols were developed to guide the administration of the interviews. Versioned interview questions were designed for Impact Austin participants (Appendix 2) and for participants from the nonprofit organisations

(Appendix 3). Interviews are most typically used in qualitative studies (Rossman & Rallis, 1998, p. 124) and were conducted using a semi-structured interview framework; however, question sequence and the extent to which participants provided information in response to questions was less structured. This format enabled the participants to express themselves as liberally as they chose on the areas of priority for them as individuals and was in keeping with one of the aims of the thesis, which was to uncover and describe the participants' perspectives on the subject of their involvement with giving circles. The format adopted supported that purpose. While participant responses affected which questions the researcher asked next, the use of the interview framework ensured consistency between interviews. Bogdan and Biklen (1992) summarise that 'good interviews are those in which the subjects are at ease and talk freely about their points of view...Good interviews produce rich data filled with words that reveal the interviewees' perspectives' (p. 97).

## 3.6 Data Collection

The in-depth interviews used open-ended questions and were enquiring and conversational in an attempt to gain rich information and understanding of the lived experience of the participant. Probes were also used to gain more understanding or clarity, and to prompt examples from participants. Interviews were audiotaped and transcribed with the permission of participants.

Following Patton's view that the 'researcher is the instrument in qualitative inquiry' (1999, p. 1198) and that researcher disclosure must be included in a qualitative thesis, it is judicious to comment that the researcher is a fundraising professional with 25 years fundraising experience and holds a philosophical position of 'donor-centred' fundraising. 'Donor-centred' is a concept coined by Burk (2003) and is a philosophy of transforming fundraising from transactional to relational by focusing on meeting the needs of the donor. This is achieved through meaningful acknowledgement, by providing assurance that the donor's intent for the gift is met, and a demonstrated willingness to be accountable to the donor for the contribution they have made. The researcher's donor-centred approach to fundraising assisted in looking for both positive and negative signals about the relationships between Impact Austin and the nonprofit organisations.

## 3.7 Analysis

An inductive approach was used when analysing the data collected. Merriam and Simpson (1995) stated 'qualitative case studies for the most part rely upon inductive reasoning for the formulation of concepts, generalizations or tentative hypotheses' (p. 109). Immediately after every interview, top-of-mind analysis was undertaken, noting key points, impressions, reflections and, in particular, points of difference. Audio recordings were then transcribed in full and data was manually sorted under key categories, primarily around the interview questions. To maintain anonymity, participants and their organisations were de-identified.

Managing and analysing data followed Ryan and Bernard's (2003) framework of pawing, and cutting and sorting. Pawing is a means of handling the transcribed data, marking the text and generally becoming immersed in the data. The researcher also became intimately familiar with the data by reading and re-reading the raw transcripts, all the while searching for salient themes, recurring ideas or language and patterns. After the initial pawing and marking of text, cutting and sorting involves 'identifying quotes or expressions that seem somehow important and then arranging the quotes/expressions into piles of things that go together' (p. 10). These were grouped under the main themes to create a hierarchy, which were identified through the transcribing process. From the piles of sorted data, sub-themes were generated. This same process was undertaken for both the interviews with the eight members of Impact Austin and the 12 representatives from the 10 nonprofit organisations who participated in the research. The last step in the process was to create a thematic structure to illustrate the linkages between key themes and sub-themes generated from the data. The thematic structures are presented in *Chapter Four – Findings – Impact Austin Participants* and in *Chapter Five – Findings – Nonprofit Organisations Representatives*. Findings were summarised and are presented in Chapters Four and Five. The following table is the researcher's own schema used to manage and make sense of the mass of data collected.

*Table 3.3:* Analytic procedures

| **Procedure** | **Activity undertaken by researcher** |
|---|---|
| **Record the data** | Record the data according to dates, names, times and any other information considered necessary to prompt the interview in the researcher's mind. |
| **Journal reflections** | Following each interview, download key points, impressions, reflections and, in particular, points of difference. |
| **Transcribe taped interview recordings** | Interview recordings were transcribed verbatim. |
| **Pawing and immersion in the data** | Marking text and reading and re-reading transcripts to become intimately familiar with data. |
| **Cutting and sorting** | Manually cutting and sorting text into piles under main themes. |
| **Create thematic structures** | Thematic structures were created to illustrate linkages between key themes and sub-themes that were generated from the data. |
| **Write-up** | Summarise findings. |

While the bulk of the data referred to in the following report is the primary data from the face-to-face interviewees, information provided by interviewees was triangulated using documentary evidence to confirm the information provided. In qualitative research, researchers 'supplement participant observation, interviewing, and observation with gathering and analysing documents produced in the course of everyday events or constructed specifically for the research at hand' (Marshall & Rossman, 2006, p. 107). The case organisation's website (www.impact-austin.org) was also accessed to provide additional supporting material.

Documentary evidence gathered included:

- Grant Guidelines;
- Letter of Inquiry (LOI) Worksheet;
- Grant Application Overview;
- Site Visit Overview;
- Impact Austin Terms of Agreement;
- Interim Report template;
- Final Report template;
- Nonprofit Workshop FAQ (Frequently Asked Questions);
- Impact Austin Outcome Assessment Reports (2004, 2005, 2006, 2007, 2008, 2009, 2010);
- Member Manual.

## 3.8 Chapter Summary

To meet the aims of this research, a qualitative single-site case study research approach was adopted. It was considered that this approach would provide the richness of data necessary to fully understand the relationships between giving circle members and the nonprofit organisations they support. While it is acknowledged that limitations in terms of generalisability are inherent in case study research, in particular single-site case study research, this thesis is not intended to be generalisable, and neither is it intended to be predictive; rather, it is intended to provide data that is steeped in the lived experiences of the participants and in their own words. It is expected, however, that the findings will provide a reference for giving circles and nonprofit professionals to gain a better understanding of the relationships that exist between giving circle members and nonprofit organisations.

As was pointed out in section *3.3 Participants, Recruitment and Ethical Considerations,* it was originally intended to conduct this research in Australia; however, because of the lack of visible giving circles in Australia this was problematic. Using the giving circles database, which had been developed in 2005 by the leading academic researcher on giving circles to understand the giving circle landscape, Impact Austin was identified as a suitable case organisation. From the generosity and openness of the founder and Chief Executive Officer of Impact Austin, the researcher was afforded one-on-one access to Impact Austin members and representatives of the nonprofit organisations funded by Impact Austin, which meant that interviewees had the freedom to participate in the interviews without prejudice. What follows in Chapters Four and Five is the very rich account of the experiences of those two groups and the relationships that exist between them.

# Chapter 4: Findings – Impact Austin Participants

## 4.1 Introduction

Having established the appropriate method and data collection, we can now turn to the findings from interviews with the eight members of Impact Austin, the case organisation in this thesis. This is an exploratory case study that seeks to understand the relationships between giving circle members and the nonprofit organisations they support. In addition to this central research question, the study sets out to map the range of stakeholder experiences of giving circle members and nonprofits working together, and also to probe how giving circles and nonprofits might best work together to achieve their desired outcomes. This chapter presents the findings from the data collected through the in-depth face-to-face interviews conducted with the participants of Impact Austin who participated in this research.

Findings are grouped into the five key themes emerging from the study: motivations to join Impact Austin, the rigour of the process, the relationship with nonprofits, the Beyond Impact campaign, and general advice to nonprofits. Using an inductive approach 'which reflects frequently reported patterns used in qualitative data analysis' (Thomas, 2003, p. 1) a hierarchy of themes and sub-themes was developed. The following figure details the overarching themes and sub-themes drawn from interviews with the members of Impact Austin.  Findings are grouped into five main themes and 12 sub-themes to illustrate the how and why of giving circle involvement and consequent engagement with nonprofit organisations.

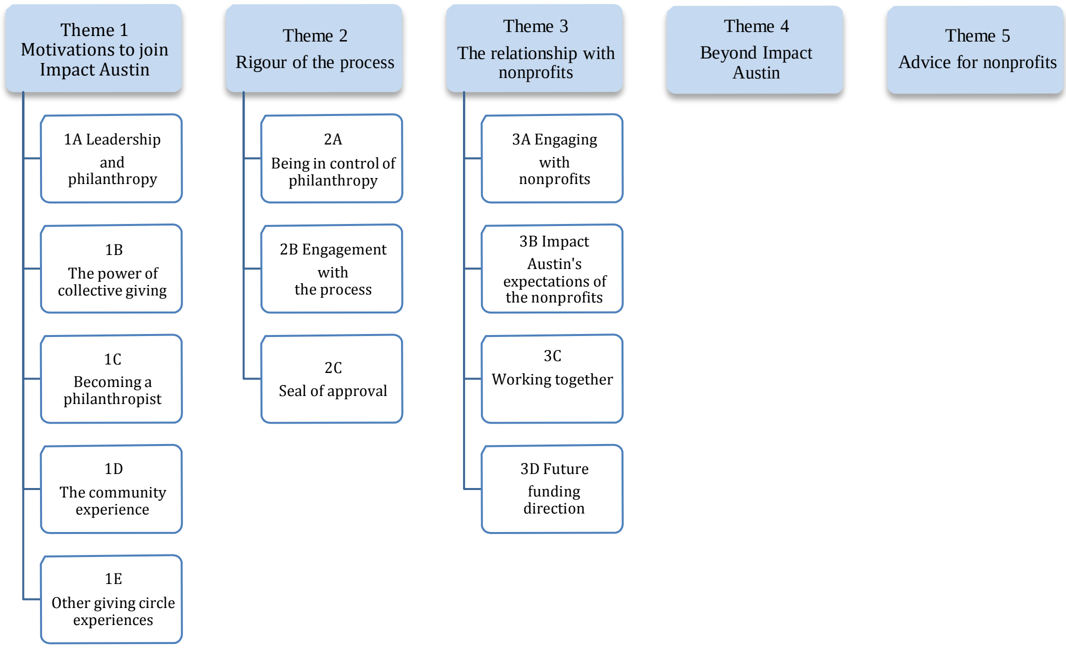


*Figure 4.1:* Themes – Impact Austin participants

## 4.2 Findings

Quotations from the data are used liberally to proffer a richer understanding of the themes, and to portray from the study participants' own perspectives the experiences and the relationships that exist between themselves and the nonprofit organisations they have provided funding to. Findings from the nonprofit organisation representatives are presented in Chapter Five.

### 4.2.1 Theme 1: Motivations to join Impact Austin

> *The motivators for me are distilled to two things: the motivation to have this unbelievable connection and impact on the community, the other part of that is that I actually have an opportunity to have an impact on Impact Austin through the various volunteer roles that I play.*

Interviewees spoke at length and with passion about their motivations to join Impact Austin. In summary, the key ideas that arose within this theme include:

- leadership and philanthropy;

- the power of collective giving;
- becoming a philanthropist;
- the community experience; and
- other giving circle experiences.

Trust and confidence in the leadership and the processes of Impact Austin, as well as the idea of belonging to something bigger than self, emerge clearly as the main impetus behind the interviewees joining Impact Austin. Interestingly, a number of the interviewees now see themselves as philanthropists, rather than being ‘cheque book’ donors as a result of their giving circle membership. Prior to joining Impact Austin, most had heard of the giving circle concept and were aware that a number of giving circles were already operating in their community.

*1A Leadership and philanthropy*

> *They had just gone to this meeting and become so excited by her story, her vision and the impact, and I thought that was very interesting.*

The first insight emerging from the study is that giving circles require some significant initial philanthropy leadership and advocacy on their establishment. This localised leadership will typically be building on some existing leadership initiative elsewhere, in that groups are mostly modelled on other such entities – again reinforcing this concept of leadership that fans out, empowering others, and that giving circles require some ‘pioneering’ behaviour (Bearman, 2007).

Interviews with Impact Austin members and documentation portray such a leadership pattern. The organisation was the brainchild of an Austin businesswoman who had read about the concept of collective giving elsewhere in a magazine article.

That model had been developed under the name of ‘Impact 100’ and had been operating in Cincinnati, Ohio, since 2001. Believing that the same model could work in Austin, the Founder and Chief Executive Officer of Impact Austin drew on the support of two friends, who in turn each invited one person to join, making the inaugural group of six women to start Impact Austin. This weblike development pattern of Impact Austin is typically how giving circles are formed, emphasising the power of peer networks and trust (Giving Circles Network: Govern and Grow, n.d.). Using the ‘Impact 100’ model as a guide, research was undertaken to create a framework for the processes around receiving, funding and evaluating philanthropic grants. In other words, other giving circles and sources served as critical leaders and role models in building a viable new entity in Austin that adapted and learned from these examples.

> *I looked at different foundations around the country, looked at what their processes were like, what their application forms were like and so from all of that I created our application and processes.*

Interviewees attributed the momentum that gathered quickly within and about Impact Austin to the cascading effort to extend the leadership base to other contacts and thus grow their membership. Through a series of personal invitations and membership drives from one woman with a vision, to six women with the passion and determination to make Impact Austin a reality, membership grew to 126 in the first year of operation. The power of this initial ongoing leadership is evident in the size and impact of the case organisation today. At the point of this study, Impact Austin had 542 members and since its first grant-round in 2004 had given US$3.36 million in grants to 33 community organisations.

The importance of the personal element and of storytelling in recruiting giving circle members was emphasised by interviewees and provides insights to how this leadership in philanthropy is enacted. Recruitment to Impact Austin is primarily through personal invitation to prospective members to attend a 'coffee' as the regular recruitment forum where the Impact Austin story is told. Also present at the 'coffee' is one of the community partners telling the story of their involvement with Impact Austin, what it meant to them, the process and what they learned. This initial leadership is a primary trigger and motivation behind people joining a giving circle such as Impact Austin. Another potent motivating force is the power of giving together, as the next sub-theme highlights.

*1B The power and appeal of collective giving*

> *I loved how women could come together and what they can do together. I thought to myself this is something that I want to do.*
>
> *…this idea of collective giving, I'm a part of giving at a level that I can never give at personally…*

In summary, interviewees were delighted with:

- the leverage aspects of collective giving in terms of the scale of giving in which they could be engaged;
- the newness of the idea as a way to help more in their community;
- the buy-in and voice inherent in the collective giving process; and
- the learning about community issues this level of contact yields.

The idea that a US$1,000 donation becomes a part of a much bigger donation of US$542,000 is as described by one respondent 'a very rich and rewarding experience'. A number of interviewees also relayed that what resonated most with them about being a part of the collective giving model was that it was a new way of giving to nonprofits in their local area. For these participants both the freshness of the idea and the local angles emerged as important.

> *I am very committed to Austin and wanted to see some interesting and new ways to impact social services in Austin.*

Interviewees highlighted the appeal of joining in what was a new and different giving experience for most. Study participants also expressed the appeal of a process that allows members a degree of control over the projects they will fund and their sense of empowerment in that.

> *I saw this as a new way and a good model wherein I would have some say in where the money goes.*

The aspect of this approach as a means of learning about local nonprofits surfaced.

> *The first five years I wanted to participate in each of the five FACs [Focus Area Committees] because I felt that that was a perfect way to be educated and exposed about nonprofits across our entire community.*

This greater depth of community knowledge and sense of involvement changed participants' self-perceptions, as the next sub-theme asserts. Assuming the identity of being a 'philanthropist' emerged as a robust motivation to stay in the giving circle.

*1C Becoming a philanthropist*

> *I can consider myself a philanthropist now. I used to give through my church, my kids' school, sports organisations but until Impact Austin I did not give philanthropically.*

Interviewees revealed that reflecting back on the Impact Austin experience, the sense of becoming a philanthropist ranked as a strong motivation for continuing as a group member. Most interviewees had in the past supported various charitable organisations, their church, their children's schools, either through fundraising activities or donations. Such donations were mainly facilitated through employee giving or smaller donations to organisations that resonated for the individual woman. One respondent described her connection with organisations she supported as that of a 'cheque writer', typically giving out smaller donations to the charities that had an impact on her life. For a number of the interviewees, however, the notion of moving from a 'cheque writer' to philanthropist has been enabled through membership of Impact Austin. The sense of ongoing connection to Impact Austin and the nature and scope of projects it supports inspires a level of relationship that moves the respondents to viewing themselves as philanthropists. The effects of this identity change extend beyond Impact Austin as the next sub-theme suggests, as well as bond them further to the giving circle as a valued part of their lives.

*1D The community experience*

> *I want women to remain with Impact Austin, but even if they don't, I want them to remain engaged in their community as philanthropists.*

Underlining the strength of the 'becoming a philanthropist' motivation, some respondents related that their involvement with Impact Austin has led to a greater level of philanthropic giving and connection with other nonprofits in their community. Fundamental to the philosophy of Impact Austin is educating women about their community as well as building philanthropy. Each year, at the beginning of January, Impact Austin holds 'Discovery Day' where community leaders (not from a nonprofit organisation) are invited to address the Impact Austin members about the leading issues in the city. The idea is to educate members about their community and to challenge and broaden thinking about current civic matters.

Clearly this sense of being able to impact vital community needs motivates the giving circle members.

> *We really want our women to be committed servants to the Austin community.*

In addition to 'Discovery Day' another educative opportunity for Impact Austin members is the annual 'Speaker Series' to which one speaker is invited to present with a focus on philanthropy. Interviewees explained that the primary objective is to encourage Impact Austin members to connect with their community, be inspired, challenge their beliefs and open their 'pocket books' for their community. The founders of Impact Austin commented that the value of Impact Austin is so much broader than just giving grants to five community partners every year; they see their value in the community as the philanthropy they can influence, recognising that while not all of it comes through Impact Austin, indeed it encourages philanthropy. The concept of thought-leadership and taking stakeholders to a place they did not necessarily know existed is described as being of immeasurable value to their community.

> *So as my life stages change, the education and the exposure that I've had to my community through the projects that have been granted Impact Austin funds, the time will come when I will be able to give more. They're also part of my history.*

This finding reflects an abiding motivation and a deep, ongoing and very personal commitment to the giving circle and the changes it brings to many participants' lives, knowledge and values. However, only well-constructed and run giving circles might yield such life changes as the next sub-theme suggests.

*1E Other giving circle experiences*

> *I was a member of [name of other giving circle]. It was a different vibe, more of a volunteer commitment rather than making a financial impact. I would say that the process for granting funds wasn't quite as thorough or objective as Impact Austin.*

A small number of respondents reflected on membership and mentoring of other giving circles and in so doing emphasised that the quality of the giving circle was a prime motivating factor in whether to join, stay or leave. Numerous giving circles exist in Austin; however, only one of the interviewees had been a member of another circle and described it as being quite different to Impact Austin. All interviewees did know of other giving circles; one had been invited to join and declined the invitation. The Founder and Chief Executive Officer of Impact Austin is a member of two other giving circles, neither of which is in Austin. This role began as a mentor to these circles, however has evolved to having full membership rights.

> *I'm most comfortable being available to them to ask questions, I don't force our processes on them, I pretty much just share our experience with them…mainly how do you find members…the review process…we share our philosophy.*

Interviewees revealed that as part of a strategic planning process a couple of years ago members of Impact Austin did some competitor research and as part of that spoke to other giving circles in Austin about how and what they did. Two key differences were in the level of rigour around the processes and the dollar value of the funds being granted.

One respondent who had previously been a member of another giving circle concurred with the two key differences and said that from her experience the membership to the circle was 'about $300' and that the grants were between US$5,000 and US$10,000.

> *They didn't spend a lot of time talking about the agencies and educating their members about them. They would just say, we gave grants to these agencies.*

Impact Austin is part of a consortium of Impact 100 giving circles, which now operate in 15 cities (14 in the United States and two newly established in Australia). While Impact Austin was modelled on the Impact 100 giving circle concept – that is, women each contributing US$1,000 and supporting nonprofit organisations through the distribution of grants – some of their processes may differ slightly, although it is thought that for the most part they are fairly similar.

The first theme to emerge from the study is the range of motivations behind joining and staying with Impact Austin. Key ideas that arose include leadership as a prelude to such philanthropy, the power and attraction of collective giving, participants now seeing themselves as philanthropists as a result of their Impact Austin experience, enhanced connection to their community, and factors that differentiated Impact Austin from other giving circles. The second theme to emerge with great consistency from participants is the processes surrounding Impact Austin's grantmaking.

### 4.2.2 Theme 2: Rigour of the process

> *We don't play around. If Impact Austin requires information by a certain date we expect it and our application process is such that they apply online, the date it is due, the system gets switched off and unfortunately we have applicants every year who learn the hard way.*

Overwhelmingly, every respondent described the process of applying for, receiving and then acquitting funds from Impact Austin as being rigorous. This theme describes the views of the interviewees in relation to the meticulousness with which applications are received and subsequently funded, or not. Ideas that also sit under this theme include:

- being in control of philanthropy;
- engagement with the process; and
- the Impact Austin ‘seal of approval’.

All interviewees were very familiar with the procedures surrounding funding from Impact Austin and all described in detail the processes, the different steps, the accountability of the nonprofits and the role or various roles they had each played within the organisation.

> *Part of the application process includes them giving us a timeline for when they require payments and that has to be decided ahead of time. So that ensures that if things aren't going well we can hold off on giving the next distribution. We would rather have the money and earn interest on it until the nonprofit is ready to use it. They have to give us interim reports before they get the next money. Having that accountability also ensures that we are funding good work.*

From the outset, the original members of Impact Austin set out to create a structure that was based on research into best practices. A sense of gratification was evident as interviewees reported that the process developed in 2003 has withstood the test of time with very few changes. The rigour underpinning this process was explained to have a dual purpose: one is to ensure that the nonprofits seeking funding do conduct the projects for which they have applied according to the guidelines of the funder; and two, to be accountable to the members of Impact Austin in its stewardship of members' funds. The grantmaking function is described as a ‘well-oiled machine’ and is also cited as one of the best marketing points to existing and prospective members of Impact Austin.

> *One of our biggest selling points is the way that works, because it is very professional and very fair and it connects women so intimately with what is going on.*

*2A Being in control of philanthropy*
*I am an empowered donor now and my expectations are that they will do what they say they're going to do with our money.*

Characteristic of giving circles is the desire of their members to have a more rewarding philanthropic experience than passive 'cheque book' forms of philanthropy. 'Hands-on' and 'highly-engaged' philanthropy are also terms often referred to in the literature in describing the traits of giving circles (Eikenberry, 2005, 2009). Almost all interviewees spoke about having a greater sense of being in control of their philanthropy through the rigour of the Impact Austin processes.

As one member shared, when they (the nonprofits) receive a grant, Impact Austin is going to become very involved with the nonprofit's business because they want to oversee how that grant money is spent, whether what was presented to them is in fact what is being done, and that the metrics are in place to confirm the results that the membership of Impact Austin expects. Being in control of their philanthropic funding is a central ideology of Impact Austin. While some critical feedback has been received from nonprofits about the grantmaking process and it being too rigorous, the members of Impact Austin in contrast have comfortably settled with the level of rigour for which it have become known. Interviewees left no doubt that nothing is left to chance with Impact Austin as the funder. They articulated that there is nothing passive about their philanthropy, they control every aspect of the process and for those who are involved in the actual grantmaking it is a hands-on role.

The members of Impact Austin made no apologies for the rigour of their processes and they recognised that nonprofits have to think carefully about whether they want to apply for funding, knowing that it takes a lot of effort both to apply and to deliver on the expectations of an Impact Austin grant. In support of the rigour though is some of the feedback members have received from nonprofits that were in fact unsuccessful in their application. Members shared that some nonprofits reported that the process made them think about what they were doing, helped clarify their mission and their project, which was a positive ongoing outcome.

> *Women give money to Impact Austin because they care and they want to have a say in where their money is going.*

The case documentation and the interviews left no doubt that the processes surrounding the application, funding and acquittal of an Impact Austin grant is thorough and offers participants a sense of control over their donations. It is also very hands-on for individual giving circle members as the next sub-theme reveals.

*2B A structured process and opportunities to engage with it*

Interviewees described that from the outset they were formally engaged in the giving circle's activities. At recruitment, every woman receives a well-laid out manual, which describes in detail every element of the organisation including the various roles and responsibilities of members. Roles generally follow a committee structure and while members are encouraged to sit on a committee, ultimately the level of involvement, beyond the full-membership final voting element, is at the discretion of the individual member. Irrespective of the level of hands-on engagement a member may choose to have, interviewees highlighted that all members do have access to the procedures and operating framework of Impact Austin.

The top-level procedure for application, funding and acquittal of an Impact Austin grant is described as follows:

- Impact Austin announces the level of funding distributions that year. This figure is determined by the number of members the organisation has (each member contributing US$1,000) and is divided equally between the five focus areas (culture, education, environment, family, health and wellness).

- Nonprofit organisations submit a two-page Letter of Inquiry (LOI) into one of the five focus areas. The LOI defines who the organisation is, the top-level definition of the project, and the budget.
- LOIs are received by the relevant Focus Area Committee (FAC), which has between 20 to 25 members on each of the five committees.

One member described the first step in the process as a ‘big funnel’. Numerous LOIs are received and a filtering process occurs. Every year the number of LOIs received in each focus area fluctuates and it can range from 20 to 40 or more. Participants describe the responsibility of each committee member to read each LOI, have a voice, challenge, ask questions and educate themselves about the nonprofits and the projects that have been submitted for consideration to the second (application) phase:

- Voting occurs within the FAC to determine which LOIs goes through to the application phase. Between six and nine LOIs will typically be escalated to the application phase.
- The nonprofit organisations are notified that they have advanced to stage two.

As described by more than one respondent, this is where the application process is more rigorous and thorough. The application now requires a line-item budget, details of how the project is going to be implemented, what impact this project is going to have and how the results will be measured. Impact Austin does not fund overheads or general expenses and is quite specific about giving to the approved project only, hence the necessity of the line-item budget.

Stage two involves the following processes:

- The 20 to 25 members on each of the FACs break up into smaller groups of usually three and are given responsibility for one or two applications where they do a ‘deep-dive’ analysis of the program and the nonprofit organisation. ‘Deep-dive’ was referred to with some pride by interviewees as extensive and detailed analysis and includes:
    - how the project will be measured and evaluated; and
    - outside research within the community:

      Are there other organisations doing the same thing?

      Is the organisation respected within the community?

      Is this organisation established in the community?
- ‘Deep-dive’ committees present their findings to the broader FAC committee. Conclusions are drawn and recommendations made about which projects will be voted on to go forward to the next phase of the application process. At this point each FAC is looking for a hard number of three projects to make it to the next phase, which is the site visit.
- A site visit team of five or six members is established for each of the three projects in each focus area. Site visits are usually conducted on a business day and take approximately four hours to conduct. Site visits include:
    - Meeting with the Executive Director, Project Manager, Board Member, Finance Manager;

    - Tour of the operation, providing an opportunity for the nonprofit organisation to be showcased to a group of philanthropists.
    - Working in pairs, committee members conduct interviews with each of the nonprofit team members who are leading the site visit. Interviews are conducted separately to ensure that all at the nonprofit organisation are on strategy; that is, the Board Member is not going in a different direction to the Executive Director, the Project Manager knows how their project fits into the overall mission of the organisation, and the Finance Manager can answer any questions the committee may have in relation to the finances.
- Notes of the committee are compared and a site visit report is developed.
- The three site visit reports are sent to the entire FAC for voting on two projects, which will go through to the final phase of presenting to the whole membership of Impact Austin at the annual meeting. In preparation for voting, all members receive the finalist reports prior to the annual meeting.
- The two finalists from each of the five focus areas do a five-minute presentation of their project to the entire audience.
- Secret ballot voting occurs at the annual meeting and one project from across each of the five focus areas will receive funding from Impact Austin for that year.
- Quarterly distributions are made to the community partners over a two-year period and distributions are only made following a satisfactory and timely interim project report being provided to Impact Austin. This level of monitoring by Impact Austin ensures that the community partner is

accountable to the funder and that projects are on track according to the timelines set down as part of the application process.

- Impact Austin appoints one community liaison officer to each of the five community partners that received funding that year. The community liaison's role is as follows:
  - call monthly;
  - face-to-face quarterly site-visit;
  - follow up in relation to progress reports (the first report is required within three months of receiving the grant, a second report is required six months later, a third report is required six months after that, and a final report is done at the end of the project).

Participants explained the process is designed to assist the community partner to keep the project on track, identify any issues early, to keep them accountable and to give them the best possible opportunity to be successful in delivering the project according to the application they submitted at the LOI phase. The one-on-one contact between the community liaison and the community partner continues throughout the two years of the grant, providing a community partner with up to 24 contacts with their liaison coordinator.

As the next sub-theme highlights, standing up to this level of rigour provides a level of fiscal credibility for the nonprofit organisations supported by Impact Austin.

> *Because the process is so thorough and it's a long process and there are several steps in it, I think that once nonprofits get an Impact Austin grant it kind of gives them a seal of approval to other funders as well which is interesting and I don't think they expected that to happen.*

### 2C Seal of approval

> *…that's the 'seal' that nonprofits talk about, the 'Impact Austin seal of approval', that we've been through the rigour and we passed. And that is a badge of honour. Nonprofits actually call it the 'Impact Austin seal'.*

There is a common understanding amongst the interviewees that the rigour of the process may present some challenges to nonprofits. The process dictates that the nonprofits have to present themselves as administratively competent and fiscally responsible to be able to execute the program, and be prepared to completely open the doors of their organisation to members of Impact Austin.

One respondent believes that the LOI is not a difficult or even rigorous process, expressing that the organisations just need to be aware that if they make it through this level and onto the next that this is when it really does become rigorous. All assert that an application to Impact Austin requires time, commitment and dedicated resources to manage the process. One respondent had heard some nonprofit organisations say that they do not have the capacity to apply for an Impact Austin grant, and while members of Impact Austin recognise that it might be difficult for some nonprofits, there is a common view that anything less would not meet the members' needs.

All interviewees spoke about the expectations of Impact Austin and those expectations are commonly known within the grantmaking and nonprofit community. A number of interviewees referred to the 'seal', or the 'Impact Austin seal of approval' that is often spoken about by nonprofits. The 'seal' equates to having been through the rigour of an Impact Austin grant and passed, and that some nonprofits see this as an imprimatur of quality.

More than one respondent believes that having the 'Impact Austin seal' also lets other funders know that as a community partner the organisation has made it through the process and that, as one respondent put it, ‘you must have your ducks in a row’. This view is supported by another respondent who spoke about a men’s giving group also located in Austin who said that while they want to do what Impact Austin is doing, they do not want to have to go through the process and asked if they (Impact Austin) would decide for them. There is a commonly held view that Impact Austin has gained a reputation for making good grantmaking decisions and their members feel comfortable giving their annual US$1,000 gift to the organisation.

In summary, this theme presents the level of rigour surrounding processes of applying for a grant from Impact Austin. It also highlights the participants’ views of being in control of their philanthropy, member engagement with the process and the fiscal credibility that is afforded a nonprofit organisation when awarded Impact Austin funding.

Themes thus far have portrayed the triggers and motivations for involvement in this giving circle and the ever-present role of its rigorous processes. A further substantive theme from interviewees emerged around the levels of relationships that Impact Austin members have, and seek to have, with the nonprofit organisations they support.

### 4.2.3 Theme 3: The relationship with nonprofits

> *I think Impact Austin has created a really nice balance between being supportive and having the nonprofits doing what they said they were going to do, having them accountable, so there’s the accountability and the support.*

A real feeling of partnership is evident between Impact Austin and the nonprofits it supports. Significantly, all respondents describe the relationships that exist as partnerships rather than a funder/grantee mode and reflected on the importance of Impact Austin’s move over the years to referring to this deliberate position of viewing the nonprofits as community partners rather than grantees. Within this theme four key facets of the nonprofit relationship were explored by participants:

- engaging with nonprofits in two ways;
- Impact Austin's expectations of the nonprofits;
- working together; and
- future funding direction.

*3A A dual engagement with nonprofits*

> *I have in the past actually gone after our annual meeting and given donations to the finalists that did not receive the funding.*

A number of respondents defined two different kinds of relationship that exist between Impact Austin and its community partners. The first is the official relationship that is guided by the framework of the grant process, and the second is the unofficial relationships that occur between many of the members of Impact Austin and the nonprofits to whom they have been exposed.

The official relationship is described as being both supportive to the community partners as well as holding them accountable for delivering the project. Members of Impact Austin describe themselves as 'cheerleaders' to the community partners and spoke about the high level of respect between the two. The view held by Impact Austin is that it does not see itself in any way superior to the community partners. One respondent cited an example of a couple of occasions when projects they had funded were having difficulty getting off the ground and the proactive approach by Impact Austin to assist the community partner in finding a solution.

One respondent described the relationship between Impact Austin and the community partners as very positive from both groups and believes that any improvements would be in the margins. There is a commonly held view that community partners have a deep appreciation for the process and even though it is strict there is an understanding and appreciation by the community partners that they have 500 plus captive women who now know something about their organisation.

One respondent expressed that in her view the relationship that builds with community partners is much closer for the women who are involved on the committees who are 'up close and personal' with the community partners through the grant process. The role of the committee members is taken very seriously and a number of interviewees spoke about their personal journey in being educated about the nonprofits in their community through their committee roles.

> *I think they and we have done a really good job of cohesion and being connected and united and having that feeling of partnership. Hopefully everybody is getting what they need from those relationships.*

The members of Impact Austin believe they have created a good balance between being supportive to the community partners and holding them accountable for doing what they said they were going to do. They strive to have a relationship where they do both well.

> *I wouldn't mind more involvement with the organisations that we give to but it is not something I feel we need.*

The unofficial relationships that exist between members of Impact Austin and the community partners are many and varied. Examples from interviewees include giving independently, advocacy, volunteering, pro bono consulting assignments, and board roles. A number of respondents spoke about the independent fundraising that occurred by members of Impact Austin to fund a project that was not successful in the grant round. It is understood that this is not an isolated incident with a number of examples given in support.

> *In reality it is probably going to be the women who have sat on that FAC because they have really got to know that organisation. I don't think a member at large who has read the report, looked at the financials and came and heard a five minute presentation are going to take that next step, although that has happened. It really is up to the women though and the nonprofits do not really have a say in that.*
>
> *As an Impact Austin member you fall in love with some of the nonprofits and continue to support, advocate them.*

While the official relationship between Impact Austin and the community partners continues throughout the two-year funding period, members have to seek out opportunities themselves if they wish to be more involved with the community partners. Impact Austin does not publish a list of members and from the beginning has not done so. Requests are at times made by community partners to Impact Austin for its members to be involved on fundraising committees; however, Impact Austin has a very clear view that it will not solicit members to engage in such activities.

> *There are some members that think we should have a special page on our website that highlights all the fundraisers or events that the nonprofits are doing but there are a number of us in Impact Austin that do not think we should do that because that is not our role. We are not a clearinghouse for information, we are a funder and we need to be clear about what our role is.*

One of the respondents indicated that some members disagree with this position and would like to be more connected to the community partners and would like Impact Austin to be the conduit for that connection. Creating this stronger link between members and the community partners is something that has been talked about as an organisation; however, as was reiterated by another respondent, it is a fine line Impact Austin treads as the funder.

> *One thing we have struggled with is how much information should we publish for the nonprofits about their activities and we have really gone round and round about that.*

Relationships between members of Impact Austin and the nonprofits they support vary depending on the level of member interest. As highlighted in the next sub-theme, members' relationships with nonprofits sit firmly within an expectations framework of the nonprofits to deliver the project according to the grant guidelines.

*3B Impact Austin's expectations of the nonprofits*

> *…be fiscally responsible with the money we're giving and be transparent. If you say you're going to serve a certain number of kids, then serve that number of kids. And if something happens that you can't, then communicate the reason why to your liaison so that they're aware of it.*

Without exception, there is the highest expectation from members of Impact Austin that community partners will execute the project and adhere to the agreement and the contract that was entered into when they were awarded the grant. Once funded, the expectation is that community partners will report on a timely basis and Impact Austin sets out that schedule in consultation with the community partner.

Impact Austin reserves the right to change the payment timing if it is not matching the activity level of the project. As shared by one respondent, Impact Austin has a culture of excellence and the process ensures that every element of the grant is carefully managed and monitored. A community liaison is assigned to each community partner (five in total) and it is their responsibility to have regular contact with the community partners throughout the two-year project period. Contact is by way of a monthly phone call as well as a quarterly site visit. It is through this liaison that any issues being encountered regarding the fulfilment of the project are addressed. Interviewees said that there were a small number of times when they had heard of disappointments with outcomes of projects and while this was not ideal, it was accepted that the community partner had faced many challenges resulting in the project not performing as proposed.

At the end of the two-year funding period the community partner completes a final report and this document is mapped back to the original application. This report is then provided back to the membership of Impact Austin. Reporting is seen as a critical element of the grant process and interviewees spoke about the importance to them as donors, and therefore stakeholders, in hearing how the projects have made a positive difference in carrying out the mission of the various organisations they have supported. This notion of a relationship based on explicit funder requirements provides the background for the next sub-theme arising from what giving circle interviewees believe are the best ways that Impact Austin and nonprofit organisations can work together to ensure that both groups meet expectations.

*3C Working together*

To ensure the highest level of reciprocal relationship between Impact Austin and the nonprofit organisations they fund, interviewees shared their expectations and spoke about opportunities to work together. Prominent was the opinion that in order to have a good working relationship nonprofits must be open in their communication and adhere to the rules of engagement of receiving funding from Impact Austin. Processes need to be followed and any issues with the fulfilment of the project need to be highlighted and worked through together. Also was the admission that Impact Austin needs to respond to queries from the nonprofits in an open and transparent way.

> *Just open communication. I don't think it's a tricky thing to do. I think Impact Austin has the responsibility to answer questions that the nonprofits were to ask about our organisation and vice versa. In particular about the program that we're funding and if we have reservations about that then I think the nonprofits need to be respectful to that.*

Also emerging from their reflections was recognising that, while Impact Austin gave something to the nonprofits, there was also acknowledgement that as members there were learning and development opportunities that they could receive from the nonprofits. This was highlighted by a number of interviewees, particularly in relation to two areas: volunteering opportunities and understanding philanthropy.

A number of participants spoke about either their own volunteering assignments with nonprofits that had been funded or cited examples of other members who were engaged as volunteers following presentations from the nonprofits. Examples given were of Impact Austin members who became members of nonprofit boards, provided fundraising support, or offered pro-bono professional services. Volunteer engagement, however, is outside of the mission of Impact Austin and it is very clear that it does not provide volunteering opportunities for members.

One respondent felt that having a volunteer component to membership would be a positive step for Impact Austin. This participant gave examples of other giving circles operating in Austin who do this and believed that it would give members a greater connection to the nonprofits they fund, which would in turn increase the likelihood of members making additional donations to the organisations.

> *I think a volunteer component would be good. Impact Austin could give a list of volunteer opportunities and then the members could choose where they wanted to spend their time. I think the benefit to the Impact Austin members is that they would feel more connected and it would put a face on the program. I think hearing it, touching it, feeling it, is such a big piece of fundraising and relationship building and then someone is 90 per cent more likely to donate if you volunteer with the organisation.*

Educating women about philanthropy and community are key drivers for Impact Austin and it was the opinion of one participant that great opportunity exists for members to develop further in this area with the help of the nonprofits they are funding. Her view was that the nonprofits do what they do very well and there is an ‘untapped’ educational element for Impact Austin members beyond what they are exposed to through the funding process. In her view, if the nonprofits can increase their connectedness to the members of Impact Austin they (the members) will learn more about the organisations they are giving philanthropic support to, which will have a positive effect for the nonprofits as well as deepening the members’ understanding of philanthropy and the difference it makes to organisations.

> *Women give money to Impact Austin because they care and they want to have a say in where their money is going.*

Further exploration of this theme with the participant identified a strategy for Impact Austin and nonprofits to work together to achieve the goal of educating members about philanthropy.

> *I think it would be interesting to have a follow-up event to our finalist evening where we could have a day where the nonprofits all come together and our women come together with them and we find a way to reconnect all the women with the organisations that have been funded. The organisations and the women become a part of each other’s history.*

This participant presented the idea of thought-leadership resulting from deepening the understanding of philanthropy for the members of Impact Austin. She suggested that educated members would likely give support to nonprofits beyond the life of the funded project. She extended this to say that with the knowledge of the impact of philanthropy members may explore other nonprofits to support and that this concurred with the mission of Impact Austin.

> *It’s also the thought-leadership notion, it doesn’t really matter if the philanthropic dollars are coming back to these same organisations, but they are going somewhere. I want women to remain with Impact Austin but even if they don’t, I want them to remain engaged in their community as philanthropists. We really want our women to be committed servants to the Austin community.*

Relationships and expectations have been expanded upon in this sub-theme and the next sub-theme to emerge focuses on Impact Austin's future funding direction. It highlights areas where they might adapt their funding criteria to address the needs of the nonprofit organisations, drawing out differences of opinion about working with nonprofits in the future.

*3D Future funding direction*

> *…I think over the next couple of years we need to look at a couple of different strategies.*

Impact Austin currently funds new programs or program expansion and does not fund infrastructure. It will fund capital expenditures and construction or renovation expenditures that are clearly related to the proposed project or program. The programs or projects it funds must use the entire amount of the grant within two years and one of the grant application guidelines stipulates that the proposed program or project must expend the full amount of the Impact Austin grant. Applications for lesser amounts will not be considered.

> *I want to fund that program that directly touches people, and just setting up the organisation and the running of the organisation, I want that there before I fund a program.*

Interviewees were divided in their views about whether or not Impact Austin should fund operating costs of the nonprofit organisations it will support in the future. One respondent felt quite strongly about holding dear to the decision made by the original group of women that they would not fund infrastructure and felt that they would risk losing control of the funds. In addition to that, this respondent had a strong sense that there are valid programs that meet real community need that can be developed by organisations where the infrastructure is already in place:

*We need to be able to see the passion that the nonprofit has, and with or without us they're going to make this work. I think that is why we have such a good turnout at our annual meeting. We send out reports, where it's numbers and words and then you get to the event where the same 10 organisations present and tell their story and I have changed my mind at that event because sometimes that passion comes out and what I could read here in the report I have got a different feel for it now.*

By contrast, one respondent felt that Impact Austin needs to be more nonprofit-friendly and that it needs to acknowledge that administrative costs are substantial. By way of example of such administration costs, the respondent elaborated that doing the reports and collecting data are all costs that sit outside of the actual program costs.

*By more nonprofit-friendly I mean, in terms of the budgeting piece…for many nonprofits there are costs outside of running the project, other than just the salary of the person running the project. An example is, doing our reports costs them money, collecting the data costs them time and money, we don't pay them for that per se.*

That Impact Austin does not fund any infrastructure other than the direct costs associated with the project is of real concern to a further respondent.

*My only angst around Impact Austin philosophy around grantmaking is that they don't fund infrastructure and that money is so hard to get from anywhere. I guess I would question how relevant Impact Austin continues to be to the nonprofit community if they can't get enough infrastructure funding beyond what they have to put to that program budget.*

Capacity building was also cited as an example of cost to the nonprofits, and while there is an expectation by Impact Austin that the project being funded will be self-sustaining there is no financial consideration to make that happen. One respondent believes that over the next couple of years Impact Austin needs to consider a couple of different strategies. The suggestions made were for Impact Austin to consider funding start-ups and building into each grant 15 per cent for administration costs.

*There may be an organisation that they need $50,000 to do a start-up and we just give them that money with no strings attached and we trust them enough that they won't run away with the money.*

Another respondent did concede, however, that while it would be good to fund start-ups, managing the risk of funding programs that may fail would need to be considered carefully. While Impact Austin currently funds new programs or program expansion, one respondent believes that it can be difficult for nonprofits to be continually developing new programs because there is always the pressure of sustainability. This respondent suggested that Impact Austin consider funding existing programs, or more of the overhead or infrastructure that already exists within a nonprofit.

A number of interviewees noted that smaller or newer organisations, that may not have the same level of infrastructure in place as other organisations, are not disadvantaged when it comes to receiving grants from Impact Austin.

*We have funded some very small organisations and I know that we would love to continue to do that.*

One respondent believed that the processes are such that they do not give an edge to any organisation and stressed that small organisations are just as likely to receive funding from Impact Austin. As related by one respondent, part of the process that Impact Austin will go through is looking at the organisational budget, and in the past had funded projects for organisations that had very large budgets, to organisations with much smaller operating budgets. The same respondent also said that when looking at smaller organisations they would take into consideration the organisation's capability and capacity to accept a grant, which may be the equivalent to the annual operating budget.

*Do we take a closer look? I think maybe we do because we question are they* *capable and staffed at doubling the amount of money they're used to seeing.*

As emphasised by another respondent, inevitably capacity of the organisation to carry out and sustain the project does arise when considering funding a small organisation.

> *…can they absorb all of this and if they do absorb it, the bigger issue is about sustainability of the project that we're funding.*

This respondent was slightly conflicted and could see that while this may be a disadvantage for younger and smaller organisations, the maturity of the Impact Austin member may mean that she is more of a risk-taker and the project will get more support.

> *Where I have felt equally good about two candidates and I went with the smaller organisation because I'm ready to take a risk with our money. The money means more to some of the smaller organisations. I like what $100,000 can do for a small organisation versus a big organisation. Plus, I know some of the small organisations, know what they're doing and love their projects.*

In summary, this theme explored the relationships that exist between members of Impact Austin and nonprofit organisations, highlighting that they vary depending on the level of interest of each individual. It also drew out the degree of expectation for nonprofits when accepting a grant from Impact Austin and the way that the two groups work together. Looking at future funding possibilities for Impact Austin gave rise to conflicting viewpoints from participants. Some believed that staying true to the original and existing criteria for funding would ensure control over their philanthropy, while others expressed views of being more 'nonprofit-friendly'. The following theme to emerge from the study builds on this notion of change and reflects the views of the participants around Impact Austin changing as an organisation and embarking on its own fundraising campaign.

### 4.2.4 Theme 4: Beyond Impact campaign

> *From the smallest thing to the largest, we are all volunteers doing it. Our Founder is stepping out of the management of the organisation and that is exactly what the organisation needs. We have grown up and now we are moving to the next level. So we are getting money together to do this.*

To this point in the life of Impact Austin the organisation has been volunteer-driven, led by the Founder and Chief Executive Officer. At the time of this study the Founder and Chief Executive Officer was in the process of stepping down from the function of Chief Executive Officer and for the first time Impact Austin would remunerate a position. This theme explores the views of the respondents as the giving circle evolves into the next phase of its development.

> *Impact Austin has this other thing that we now have to think about, Beyond Impact, how do we fund ourselves, which is what nonprofits have to think about. It is very challenging for us.*
>
> *I know that our members do support us having an Executive Director, not everyone though. I did from the get-go, so that was clear to me from the beginning that we needed a sustaining plan, a succession plan for that role but how to fund that is complicated. I don't know that we can just rely on our membership to fund the organisation, I think we're going to have to be like other nonprofits and get out there and do some other fundraising.*

The Beyond Impact campaign will raise resources required to finance Impact Austin's investment in its quality programs and the organisation's infrastructure, which includes a paid leader. This 'growth capital' will give Impact Austin the capacity to refine its business model, maintain and expand programs and fully fund a paid leader.

> *We are a completely volunteer organisation, every bit of work and that includes licking the stamp all the way to making speeches and presentations. We consider ourselves 'member driven' but so much of that has been our founder. We now have to pay an Executive Director and have somebody run the organisation. So it's a group that has been put together, all volunteers to formulate a plan for that, the strategy, the marketing; how are we presenting it, when are we presenting it and how much money do we need?*

The campaign goal is to raise US$200,000 per year for three years (financial years 2012, 2013 and 2014), which will be raised through one-time or multi-year gifts from members. Impact Austin is reaching out to all members to participate in this campaign. The view is that members are the most passionate stakeholders and have a vested interest in the organisation's success. It is made very clear that participation in Beyond Impact is strictly voluntary. Also very clear to members is that 100 per cent of the US$1,000 membership contributed by each member will continue to go directly to the community through the grants Impact Austin awards and will not be affected by the Beyond Impact campaign.

This theme addressed the views of participants as Impact Austin moves beyond being a voluntary organisation to an organisation that has a paid staff member leading them. The transition from the founder and Chief Executive Officer as leader is understood as being necessary for Impact Austin to be sustainable. Participants also gave commentary about the committee's fundraising campaign goal.

The final theme presented from giving circle members is broadly 'advice for nonprofits', where a number of participants had suggestions to nonprofit organisations when seeking funding from Impact Austin.

### 4.2.5 Theme 5: Advice for nonprofits

> *Get some critical readers to read your proposal because that's the Impact Austin process, they're going to pick this thing apart.*

The advice from a number of interviewees was for nonprofits to be very clear about their project from the beginning. Before submitting an LOI, nonprofits must accept that if their project is funded the committees of Impact Austin are going to ask a lot of questions. Research will be conducted using the Internet as well as within the community and the nonprofits need to be able to explain how their project will effect positive change.

Feedback from one respondent to a nonprofit organisation was that Impact Austin asked them questions that they had not asked themselves. Another respondent's advice to the nonprofits is that if they are funded they will not just receive a cheque – they will also get as much involvement as they (the nonprofit) are seeking so be sure they have a stewardship plan for engaging the Impact Austin members. Another respondent suggests that there is power in marketing their organisation to philanthropic-minded women and they (the nonprofits) can do this in a very direct way.

Impact Austin holds an annual workshop to which nonprofits are invited to hear from one of the community partners who will guide the nonprofits through the process of applying for and receiving an Impact Austin grant. One such community partner was declined at the LOI stage in the first year of application, made it to the application stage in the second year and were declined again, on the third attempt they had their project funded. According to one respondent, this particular community partner said that they realised that they did not address the questions on the application; rather, they told Impact Austin what they thought and were not actually considering the needs and requirements of Impact Austin. A number of successful community partners have also obtained feedback about their proposal from past successful community partners. One respondent suggested that this is a prudent way to go.

'Make your project jump off the page' is the advice from one respondent. Nonprofits must be clear and succinct at the LOI stage, explain how the project will be measured and the impact it will have in the community. Generally, the advice from all interviewees is: to use the process as thoroughly as they can, go to the nonprofit workshop so that there is a clear understanding of what the expectations are, do not try to short-circuit the process in any way, do a self-assessment before applying, be confident that the organisation has the resources to conduct the project, and understand that if successful in the application phase the organisation is going to be scrutinised. Nonprofits must realise that while there are huge variables in the membership of Impact Austin what does stay the same is that these are women who want to give their time freely, open their cheque book to Impact Austin, are community-minded and have philanthropic hearts.

> *When you send in the Letter of Inquiry, answer the questions and leave your boilerplate at home. All the standard paragraphs you have, from all the different grants you fill out, it is so obvious to our members, they can tell when someone has just cut and pasted information, and please leave out industry jargon.*

## 4.3 Chapter Summary

The findings presented above are the account of the lived experience of Impact Austin members participating in this study. They are rich in detail and it is evident from the findings that participants are very passionate about Impact Austin, what it means to them as individuals and what Impact Austin provides for their community through the projects it funds via a strict process. These five overarching themes and the 12 sub-themes to flow from them have been further distilled to the standout ideas, which will be discussed further in *Chapter Six – Discussion and Conclusion*. The key points that emerge are those that describe sub-question 1a) the range of experiences of the members of Impact Austin in their relationships with nonprofit organisations, and sub-question 1b) how best might giving circles and nonprofit organisations work together. The standout ideas that emerge for sub-question 1a) are: having control over their philanthropy, being a philanthropist, increased giving and education about their community, and leadership within Impact Austin. For sub-question 1b) the ideas are: delivering the project, future funding direction of Impact Austin, learning from the nonprofits, and stewardship. Each of these standout points is discussed in Chapter Six in relation to the research question and the literature presented in *Chapter Two – Literature Review*.

The following chapter in this thesis presents the findings from the research from the perspective of the nonprofit organisations. While there are 12 individuals who participated in the research three people represented one organisation, making it 10 nonprofit organisations that had received funding from Impact Austin. Similar to Chapter Four, the findings from the interviews with the nonprofit representatives are grouped into five overarching themes and 17 sub-themes that map the views of the nonprofit professionals when receiving funding from Impact Austin.

# Chapter 5: Findings – Nonprofit Organisation Representatives

## 5.1 Introduction

With the methodological approach and data collection described in Chapter Three, and the findings from interviews with eight members of Impact Austin presented in Chapter Four, it is now appropriate to present the findings as they relate to the interviews with 12 representatives from 10 nonprofit organisations that have received funding from Impact Austin since its first grant round in 2004. Similar to Chapter Four, findings are grouped into the five key themes to emerge from the data: value of Impact Austin funding, engaging with Impact Austin members, the process, future funding direction, ending with general advice. From these five overarching themes, 17 sub-themes were drawn from the data and the following figure describes these in detail.

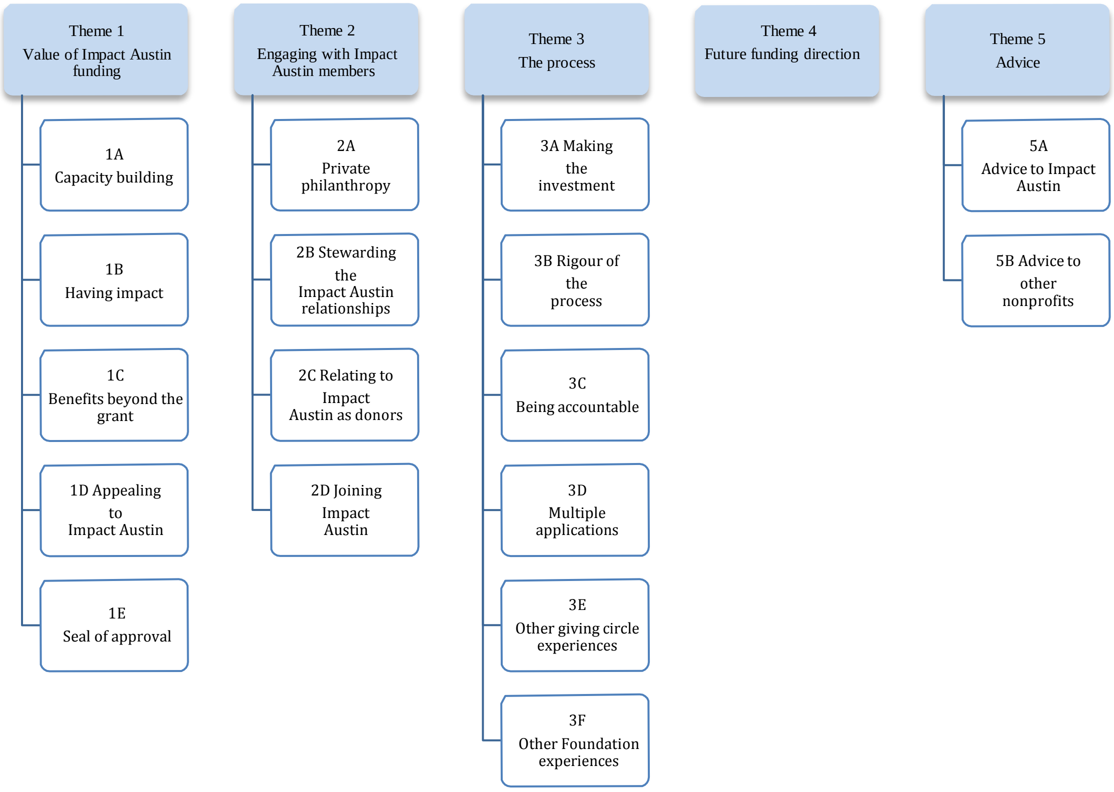


*Figure 5.1:* Themes – Nonprofit Organisations

## 5.2 Findings

Again, similar to the findings from the members of Impact Austin, the richness of the research is in the quotations and these are used expansively to capture the views of the interviewees in describing their experiences of the relationships that exist between nonprofit organisations and Impact Austin.

### 5.2.1 Theme 1: Value of Impact Austin funding

> *The difference the Impact Austin funding has made to our organisation is that we certainly get some street cred.*
>
> *It has caused us to get our internal organisation together now that we're accountable to somebody outside of ourselves.*

The first theme to emerge in this study is the value of receiving funding from Impact Austin. All nonprofits interviewed appreciated the existence of giving circles and they shared the value of receiving an Impact Austin grant, from capacity building, the difference it made to their organisations in funding programs, their organisation's credibility, to the critical eye they were forced to cast over their internal processes and reporting standards.

One respondent said that 'they have heard' that the Impact Austin gift would be transformative for their organisation but to date that big impact had not yet occurred. The respondent did go on to say, however, that their organisation had received funding from two other giving circles and these grants had each aided in the organisation's growth and that their expectation is that the Impact Austin funding will further that development.

Ideas explored within this theme include:

- capacity building;
- having impact;
- benefits beyond the grant;
- appealing to Impact Austin; and
- seal of approval.

*1A Capacity building*

Building capacity and giving organisations the ability to embark on innovative programs is a benefit that interviewees referred to following the grant from Impact Austin.

> *If you get money and you spend that money, that is one thing, but if you get money, and by getting that money it allows you to raise more money in the future then that is tremendous. It increases your capacity as an organisation to fulfil your mission so that is another piece of what Impact Austin has done for us.*

One respondent gave a very detailed account of how their grassroots organisation had gone from strength-to-strength with the support of Impact Austin and that the funding enabled them to go out to their community and commence fundraising and seek additional funding from other grantmakers and donors.

> *Then we get this grant from Impact Austin and it was the catalyst for a lot of change.*

As well as building capacity, the sheer impact of the grant was a theme that resonated with all participants and this aspect is explored in the next sub-theme.

*1B Having impact*

> *Pretty much in every aspect of our lives, I think it was the catalyst that changed us from being a small grassroots organisation with a great idea into what we are today. Everything converged around that point [of the Impact Austin grant] and was forever different after that.*

Since its beginning Impact Austin has granted major sums of money, each grant in excess of US$100,000. Shared by interviewees was the notion of Impact Austin grants having real impact because of the significant level of their gift. Participants reported receiving smaller gifts from other funders, and while it was stressed that these are important and valued, a grant of over US$100,000 enables them to really make a difference in the delivery of programs. One participant also pointed out a gift of US$5,000, for example, is almost spent in the staff time it takes to apply for and acquit the grant, leaving little to support a program.

> *I think the reason they can call it Impact Austin is because a grant of $100,000 is that they finally hit the point where they can make an impact. So just a thought if you were to develop a giving circle that came up with awards of $5,000 they would be asking the charity to expend so much effort to get that grant that chances are that by the time they've handed it to you, you've probably spent that much in staff time.*

The level of the grant and the impact it would have for their organisation was one of the key reasons one participant cited for applying to Impact Austin.

> *This larger amount greatly appealed to us. This circle really resonated in a lot of different ways. The money really mattered; it was going to make a difference.*

Receiving a grant from Impact Austin influenced one organisation in an unanticipated way. This participant spoke about being a finalist two years in a row, neither times being awarded funding, and said that the experience caused them to really look at themselves as an organisation.

> *When you're playing for a $100,000 prize, that's one more positive impact that this circle has had in our community because it's one thing to lose a couple of hundred bucks, 5,000 bucks, but it's another thing, especially if you're finalists like we were for two years in a row, thinking how extraordinary we were to learn that we weren't as extraordinary as we thought we were. That has driven our quality.*

> *It absolutely put our project on the map. It gave the project stature.*

Receiving a grant in excess of US$100,000 has clear benefits to nonprofit organisations, however, as the next sub-theme explores. Participants in this study identified numerous less obvious benefits as recipients of an Impact Austin grant.

*1C Benefits beyond the grant*

> *It is a very big deal and every nonprofit wants one for a variety of reasons.*

All interviewees gave rich accounts of the additional benefits that followed for their organisation after the grant from Impact Austin. Examples given included other grants that were received, kudos and the potential of garnering the private support of the members of Impact Austin. Exposure to the members of Impact Austin was the most common theme to emerge and participants elaborated that they placed very high value on their organisation being exposed to an audience of philanthropists who they would never have had the chance to meet before.

> *No one had ever really heard of [name of organisation] prior to that and getting access to that group of people, tremendous things have happened to us as a result.*
>
> *I remember our internal conversations being around this being a group of 500 women who as a result of our efforts they will become educated about our mission.*
>
> *It was also about our exposure and our ability to educate a large number of people who could become future donors to our organisation.*
>
> *Our Development Director insisted that we apply even if it was just that all those women were going to be learning about our organisation.*

One respondent highlighted the monumental shift in organisational culture following the grant from Impact Austin.

> *For the first time our staff felt like they were part of a professional organisation, which deserved to be in existence. The quality of life of our employees went up pretty dramatically because of just very small changes. The change started a cultural shift in our organisation where professionalism and feeling as though what we were contributing was starting to become more and more a part of who we are and what we do.*

Impact Austin is a highly credible funding body in Austin, known for the significant sums of money they grant each year and also for the level of rigour that is applied to the processes for being awarded such grants. Some interviewees found that a grant from Impact Austin enabled other funding opportunities to be presented to them; others expressed that the grant enabled their organisation to have a more solid fundraising platform from which they could go to the community and seek other funds.

> *It made us start looking for more resources and trying to go back to the community for greater investment...*

*We now have Impact Austin members sitting on our Board and I think more than anything else, that has really transformed our reputation in the community and has changed our ability to fundraise in the future…*

*…because we had gotten the Impact Austin grant we were able to say we have huge community support…that was a critical piece of what attracted them to Austin and we were selected for that. I think that Impact Austin, if not the most important piece, was a very important piece of attracting them.*

*It enabled us to show a match for a federal government grant we were also applying for.*

*They have developed such a reputation…that it really makes a difference. It has really impacted, positively, our visibility and our brand.*

A number of participants in this study had unsuccessfully applied to Impact Austin before being awarded a grant. The following sub-theme draws out their views of what appeals to this giving circle when applying for funding.

*1D Appealing to Impact Austin*

Interviewees presented a range of attributes when considering what is appealing about their organisation to members of Impact Austin. The range included being very clear about program deliverables, sustainability, organisational capacity and accountability as well as staff being very focussed on the organisation's mission.

*It is a combination of proven success, an engaging project…the hope of some positive outcomes. It also has to do with the story of the project and the organisation and the leadership and that the organisation is going to live up to the promises that it makes in its application. It is a promise that you can take this investment and actually make something from it for your organisation.*

Being innovative and nimble was also emphasised by more than one respondent as being attractive to Impact Austin.

*Impact Austin is made up of mostly well-educated women…so the very heart-stringy aspect of our program is…very appealing to people. We also have a great staff here and I think that would have appealed to the Impact Austin* *members. And we are innovative and nimble and that would have appealed as well.*

*The idea of a nonprofit doing something new and out of the box was quite exciting. We knew that it would have huge publicity with sponsors as well, it met that need for them and was a good opportunity for Impact Austin to get that footprint on something, and it served our purpose really well because in addition to the money, we had [number] notable women who really bought into what we were doing.*

One respondent believed that Impact Austin would consider highly whether or not an organisation would have the capacity and capability to handle their grant and carry out the project as stated in the application.

*It's a careful balance; is the organisation big enough to handle $100,000, are the staff capable, they want to see you doing the project or going to do the project if you have their money or not. And that is a tough one. As a small organisation it is hard to say we are going to do the project with or without you. That is a big statement. We were able to do that; it was very unstructured, just the bare bones but we were able to get it going. We had been doing it for a little while and we were going to continue to do it, it is just that they could see that their funding would really help us to take it to another level.*

Identifying a unique project, one that is going to resonate for the women of Impact Austin and meet their needs to market their organisation to their membership is suggested by one respondent as important.

*We support [number] people and we knew that they wanted a portion of that, which would be special, that would be theirs and they would be able to tell their members that they have supported something that was new and unique and different. We did not change our mission, we did not change the direction within our mission, we were conscious that we needed to stress the elements and make sure they were adequately compelling along those criteria.*

One respondent suggested that a difficulty in the process surrounding Impact Austin's work is that, depending on the level of expertise in the presentation of the project, it may mean that one project is funded over another project irrespective of its real impact.

*I think one of the pitfalls of the way Impact Austin does their work is that they don't really know what is going to make the most impact, and no matter how much data they collect, there are still a lot of people who will make a judgement on what speaks to them. So those organisations in the community that are good at putting a spin on something and can speak to what a lot of women are attracted to will prevail.*

Receiving kudos was highlighted in this sub-theme as an added benefit to receiving funding from Impact Austin. As is demonstrated in the findings in the following sub-theme, kudos is taken a step further and described as a 'seal of approval' and is considered a significant benefit.

*1E Seal of approval*

The 'good housekeeping seal of approval', 'stamp of approval', and 'street cred' are all terms used liberally by interviewees when speaking about the kudos that ensues when receiving a grant from Impact Austin. It is evident from the nonprofits in this study that Impact Austin is considered an opinion leader amongst the funding community.

*Impact Austin has such an important reputation in Austin among nonprofits and the community at large…and when you get to be one of the five community partners…the process is so rigorous that it's like a good housekeeping seal of approval and it elevates your visibility. Not just that more people know you but if you made it through all the steps of an Impact Austin grant then you must be a really top-notch organisation.*

*It gave us this credibility in the community that we would never have had otherwise…getting an Impact Austin grant means that you have the stamp of approval of a group of women who the community knows are doing due diligence so I think a lot of people's concerns about investing in us were diminished because of the Impact Austin grant.*

There was general agreement among interviewees that receiving an Impact Austin grant gave the organisations leverage to say that they were at the highest level of excellence given that they had been through the rigour of attaining an Impact

Austin grant. A number of interviewees hold a view that their organisations have been provided access to otherwise inaccessible funders and believe that this is due to receiving an Impact Austin grant.

> *Well it does seem as though other funders who are aware of Impact Austin do give you some sort of street cred when you have that award. I do believe that we've been able to turn the heads of some of the funders that we would not have been able to access because they believe we have gone through such a rigorous process and that we've managed to persuade 500 women so going through that process they, the other funders, do see that as a stamp of approval.*

> *…because of the review process of Impact Austin it conveys a certain amount of imprimatur at least in the Austin area. People know that if you're an organisation that is good enough to get through the due diligence that Impact Austin has then it's probably a pretty good organisation. For us it was a stamp of approval. It also encouraged other funders to consider us. They are an extremely credible organisation. I'd say that by the fourth year they had established their credentials in Austin and now they are a very highly respected organisation in central Texas.*

Theme one has captured the views of the participants in relation to the value of receiving funding from Impact Austin. Experiences drawn from the findings are the capacity building for their respective organisations and the grants having real impact for their organisations. In addition to these two sub-themes, findings also described recipient organisations' abilities to benefit beyond the financial support of the grant from Impact Austin. Participants gave account as to why they believe their organisation was appealing to the funders and, finally, the theme highlighted the idea that receiving funding from Impact Austin carried a lot of credibility, or a 'seal of approval'.

### 5.2.2 Theme 2: Engaging with Impact Austin members

As reported in section *4.2.3 Theme 3: The relationship with nonprofits* (*3C* Working together) Impact Austin is very clear about not actively providing volunteering opportunities for their members and neither do they give nonprofit organisations carte blanche access to members. Instead, members find their own way to the nonprofits to offer themselves as volunteers or to support through additional philanthropy. This theme expands upon how the nonprofit organisations engage with members of Impact Austin. Ideas to emerge within this theme include:

- private philanthropy;
- stewarding the Impact Austin relationships;
- relating to Impact Austin as donors; and
- joining Impact Austin.

A number of participants made comparisons between Impact Austin and other funders in relation to being able to develop a relationship with individual members. Most remarked that it is a different stance that Impact Austin takes by not providing interaction opportunities. One participant described the relationship that their organisation has with Impact Austin as having ‘a different feel’ to other funders. This participant went on to say that with other funders, nonprofit organisations see them, they (the other funders) either host meetings or they are at meetings; however, this does not happen with Impact Austin.

> *With Impact Austin there’s all this process up to getting the grant, and then you get the grant, and there’s not an ongoing relationship with the organisations after the grant. But that’s because they concentrate on keeping the relationships inside so they can keep raising the money. It’s perfectly logical why they do that but it does have a different feel from the other fund sources.*

Impact Austin has started to implement site visits to funded organisations and one participant felt that this is a good way to increase engagement and see the mission at work. It was also noted that ‘coffees’ are a good opportunity for nonprofits to engage with Impact Austin members; however, nonprofits have to be invited to present at these. By admission, one participant thought that their organisation might be missing opportunities to connect with individual members because they are not as good at engaging with supporters as they could be.

> *We're not as good at that individual giving. Remembering them and keeping up with them and sending them newsletters, we're terrible at that. We don't send any newsletters. There may be coffees but that's only while you're current. Your only audience with them is when you're funded, maybe one year after.*

Not all participants held the view that providing volunteering opportunities for individual members during the life of the funding is what their organisation is seeking. One participant thought that providing volunteering opportunities in the future (that is, when the project is completed) would be something their organisation would embrace.

> *Beyond the outreach and the publicity we do reporting but I don't know if people becoming involved with us, as volunteers, will happen and I don't know if we want that when we're spending their money. In the next few years as more people become aware of us they might think, I would like to be on that board, or I'd like to volunteer for that organisation. So that would be something I'd love to see.*

One respondent acknowledged that members of Impact Austin had in fact offered to be involved with the nonprofit organisation however the respondent had not taken the offer up at this time.

> *As far as someone serving on a board or committee we haven't gotten to that yet although we are open to it and we're looking forward to cultivating some of those relationships and many of them have offered a lot, it's just that we haven't followed up with them yet. So we're still in that process and we look forward to working with some of them in that capacity.*

Another respondent proffered the view that their organisation's staff radiate a lot of confidence and could well give the impression that their organisation does not in fact require or want assistance from Impact Austin members.

> *I think they probably become involved with other organisations more than they do with us. We have a workforce of very competent people and I think as an organisation we radiate a lot of confidence and we don't come across as needy so we might send out vibes that we've got this covered and we don't really need your help. I think there are some nonprofits that have much more involvement with members. We had a couple of episodic volunteers but we don't have anybody who stays engaged for a long time.*

One interviewee said that they took the opportunity during the site visit leading up to receiving the grant to show other parts of the organisation, not just the project they were seeking funding for. They did this so they would 'really shine' and would be remembered by the members. In addition, this participant spoke about their organisation's philosophy of valuing donors and working hard to sustain and grow relationships.

> *Once we got the funding we were responsive to them. We became a showcase for them and they received that really well and were appreciate of that.*

As highlighted in this theme, the opportunity to engage with individual members of Impact Austin is limited to what the member herself seeks to pursue. As is detailed in the following sub-theme, this is a similar situation in relation to private philanthropy in that members have to find their own way to the nonprofits. In other words, nonprofits cannot ask for gifts from individual members as they would in any other fundraising campaign to donors.

*2A Private philanthropy*

There were mixed views among interviewees in relation to whether or not private philanthropy was forthcoming from members of Impact Austin. One participant spoke glowingly about the level of private philanthropy their organisation had received, citing examples of receiving goods and services as well as financial support.

*We've had women from Impact Austin step forward after we received the grant and asked us if there was anything else we need and have given sizeable gifts. The building we are in right now was purchased by a member from Impact Austin. All of the office equipment, the tables, chairs, shelves, were purchased by a different Impact Austin member who wanted to outfit this space. Their gifts have been incredibly generous.*

As previously stated, Impact Austin has a clear charter about not providing individual member information to nonprofit organisations and any interaction that members wish to engage with the nonprofits must be at the initiative of the members.

*Impact Austin members take initiative and especially the two donors who gave us the largest gifts, they sought us out.*

*Many members became donors to our organisation and years later there are still 10 or 12 women of significant capacity who are still our donors.*

One participant expressed the view that while there is understanding of why Impact Austin takes their position that access to individual members is not available to nonprofit organisations this goes against usual fundraising practice of asking donors to make another gift to the organisation.

*In order to have retention in Impact Austin they closely guard that list of members for obvious reasons, but in general when you're doing fundraising, if somebody has been touched by your organisation, you have the opportunity to get them to give again.*

*… received some gifts from individual members and also from their family members. They had to find their way to us though.*

*I do believe what they say about all of these nonprofits get exposure and can pick up members and donors, I'm sure it's helpful to the finalists that don't receive a grant. I've done a lot of their coffees and the Impact Austin people say that it happens and there are women there that say that yes, I've become a supporter so I believe that it does happen.*

The following sub-theme draws on the range of experiences of participants in developing a stewardship plan.

*2B Stewarding the Impact Austin relationships*

> *We would like them to be more involved, we're not the kind of organisation that depends on volunteers though, our hope is trying to change some systems, we would like them to be engaged in the community effort to make that happen. I want to keep in touch, keep them engaged. We have some, not many, that donate and while that's helpful the thing I'm really interested in is their commitment and their energy.*

Stewardship is an ongoing activity that will pave the way for deepening the relationship between the donor and the nonprofit organisation. This is best carried out through a strategically planned and continuous personal interaction and information exchange between the two parties. As reported by interviewees, how stewardship occurs between the nonprofit organisations and members of Impact Austin, and the level at which such interactions occur, varied.

> *I think that 500 women heard our message and I don't know that we did as good a job as we could have in following up with them to tell them about the benefits they brought. Ironically, right now we're looking for more women to join our board so that was probably a big miss for us.*

Interviewees spoke about opportunities to present themselves at 'coffees' at the request of Impact Austin and seizing such opportunities to continue the stewardship process beyond the mandatory reporting framework.

> *It seems that as a nonprofit you could disengage and not participate, it doesn't seem wise, but it seems possible. I'm talking beyond the reporting that is mandatory. I imagine that some nonprofits might just say they're not available. While that's possible, I find it hard to believe that nonprofits would do that.*

> *If someone came to us and they identified as an Impact Austin member we would probably snap to a little more quickly and be more inclined to do something a little extra for that person, it might be to give them a tour or something. In general though, I would say we don't do anything different for them.*

> *Ensuring that they have an avenue to engage back to my organisation is just a matter of looking for them at an event and asking for their card, ensuring I have contact with them when they've emailed me.*

Participants acknowledged that the most productive time to steward the relationship with members of Impact Austin is during the life of the grant; that is, two years following being awarded funding.

> *We include them on a lot of emails, particularly when something exciting happens. We also share a lot of press that we've gotten which has been a result of the Impact Austin grant. We're doing board recruitment right now and we asked them.*
>
> *I nurture the relationship like I would other friends but that's at an individual level [Impact Austin individuals] rather than at an organisational level. It's not that different to how it would be with other funders.*
>
> *We continue to steward that relationship with Impact Austin, both on a personal level and at an organisation level.*
>
> *I think the fact that we're willing to volunteer for them is good.*
>
> *In the first year, that was when there was the most formal stewardship of that relationship where I was fulfilling requests and meeting regularly with the person who was their grantee liaison.*

During the course of the two-year grant period there is a high level of engagement between Impact Austin and the nonprofit organisations in order to meet the requirements of the grant. All participants in this study have embarked on stewardship to some degree during this window of opportunity. How they relate to the members of Impact Austin as donors is explored in the next sub-theme.

*2C Relating to Impact Austin members as donors*

> *Being an Impact Austin grantee was rewarding. We took it very seriously, in addition to the recognition we were available to the membership. There are certainly easier ways to get a grant but it served our purpose.*

Being responsive to the needs of Impact Austin was viewed by all participants as important and something they do with the highest level of gratitude. For a number of participants their organisation has a donor recognition policy and the Impact Austin gift is considered within that framework.

*For all donors of that level we would figure out what that donor needs in terms of recognition. We have a recognition policy. The downside is that you have 126 women thinking that they have each given you $126,000.*

*I consider every Impact Austin donor a major donor. Whenever I interact with an Impact Austin member I make sure she knows how the Impact Austin gift changed us. Partially because it's true and partially because I want Impact Austin members to know that their gifts are greater than the sum of the money that they contribute.*

As is good fundraising practice, participants spoke about the various ways they relate to donors, including members of Impact Austin. These included donor recognition, keeping in touch, thanking the members for their gift and ensuring that they had information about the projects being funded and the significance of their grant.

*We were very cognisant that for many of these women it is their first significant philanthropic experience. We did many events where we were thanking the women and we wanted them to feel what they had contributed to. At special key times we did special member recognition things and it met our needs as well as theirs. That would give them energy. It showed them completion, their footprint, so we wanted to create an experience for them.*

*We have funders who require much more.*

*When they have coffees to recruit for members they ask me to speak a lot and I always help them because I very strongly believe in what they do. Certainly it's my obligation as a grantee to give back by doing this.*

The participant findings show that participants relate to Impact Austin as donors with the highest level of respect and gratitude. The nonprofit organisations in this study have the utmost regard for the members of Impact Austin, particularly those with whom they come into contact through the grant process. As is expanded upon in the following sub-theme, this respect for Impact Austin has encouraged a number of the participants in this study to become members.

*2D Joining Impact Austin*

After being awarded a grant from Impact Austin, five of the participants in this study went on to become members of the organisation. The overwhelming reason underpinning their decision to become a member was their belief in the organisation and the ethical decision-making processes that they were exposed to as applicants and then grantees of a gift.

> *I've joined Impact Austin and from the inside out I'm impressed...the process is very formal and they are the gold standard.*
>
> *I've been a member since last year. I was really worried I wouldn't be able to afford it.*
>
> *I'm a member of Impact Austin, I think their process is very highly ethical…it's fair and impartial and transparent. Even if I was not a member I would be interested in supporting them.*

One participant spoke about the ethical decisions that she is often faced with as a member. This is in relation to being a part of the Impact Austin organisation and ensuring that she does not cross the conflict of interest line by speaking about her own organisation.

> *I have a great relationship with Impact Austin and I love what they stand for; giving all women the equal opportunity to have the same level of a voice.*

This theme highlighted the various ways that participants engage with members of Impact Austin and how for some nonprofits this leads to private philanthropy from the members. It also provided information on the stewardship methods in place to thank and recognise the funders as well as drawing on examples of how the nonprofit organisations relate to members as donors. The final sub-theme in this section told of the positive experience of five participants who became members of Impact Austin. In this theme findings touched on the processes surrounding an Impact Austin grant and the following theme explores these findings in detail.

### 5.2.3 Theme 3: The process

As highlighted in other areas of this thesis, the process for applying to Impact Austin is at an intricate level of detail. Theme three explores the findings from the participants and documents their views. Other ideas within this theme include:

- making the investment;
- rigour of the process;
- being accountable;
- multiple applications;
- other giving circle experiences; and
- other foundation experiences.

*3A Making the investment*

Participants in this study spoke about their understanding and knowledge that to apply for a grant from Impact Austin requires from nonprofit organisations the highest level of commitment and engagement with the process. Documentation readily available from the Impact Austin website outlines the process and this is also commonly known within the fundraising community in Austin. Whether or not to make the investment of time and resources was a decision for one participant that was made with ease.

> *I had a grant writer that spent around four hours. I would have spent six hours prepping for the site visit, conducting a site visit and then making a presentation. Our staff members probably spent one hour at a site visit, so human hours it was probably around 15 hours to win $100,000+ and to expand our most beloved program. So to me that is nothing.*
>
> *It is worth the level of work for $100,000 grant but I got the grant.*

Other participants described the investment of time as well worth it, however went on to acknowledge that had the grant not been awarded they may have had a different opinion.

> *Going through that level of rigour and work and not getting a grant I can't say honestly if it would be worth the investment.*

All participants spoke about the extreme level of rigour associated with applying for and then being awarded a grant from Impact Austin. This aspect is further explored in the following sub-theme.

*3B Rigour of the process*

Impact Austin has gained a reputation for having very rigorous processes and, whether it is through experience or sector communications, nonprofit organisations applying to them for funding understand this fully before proceeding.

> *It is absolutely worth the rigour of the process to receive that level of funding. I'm sure it only figures like a rigorous process if you do not win. If you win then every ounce of it was worth it.*

A number of participants described the process as challenging, difficult and possibly requiring a level of detail that was unnecessary.

> *…and her team had done a tremendous amount of research about what are other foundations asking for, what do we need to look at, how do you tell the good, the bad, what might have an impact, what might not have an impact, it was a little overrun with detail but that's fine.*
>
> *I don't say this critically but it was an exceptionally detailed grant proposal, probably more than most foundations or public entities would deem necessary.*

Despite the rigour though, all spoke about the respect they had for the process and the ethical and transparent way that decisions are made.

> *They had a process that was in place and were following it, yes it was extensive, but they had invested in it, with all volunteers, they'd invested an*

*enormous amount of volunteers in it in preparing it, and executing it in a disciplined way. It was rigorous in a good sense.*

In describing the processes, participants focussed on two elements. The first element was the actual application and the other was the reporting that was required after being awarded the grant.

*That was very intense that application process and I don't think as a rule we go through quite that many levels.*

*It was a challenge for the staff that had never been used to providing data for this kind of reporting process.*

Site visits undertaken by members of Impact Austin to interview key members of the organisation were highlighted as particularly thorough by a number of interviewees.

*I distinctly remember the site visit because they required that I be there, our CFO [Chief Financial Officer] and a board member. I don't think that has ever happened before, with very pointed questions for each one of us.*

*The site visit was really extensive, there was at least 10 of them that came in and visited for a full morning, visited with staff, a board member was involved in that, we did a presentation and showcased the area where we wanted the program to take place so that was extensive.*

*You submit the application, and then there's the site visit, and then we had to write a two-page letter to the members and it had to be perfect so we had to write it about 10 times. Then we had to write our presentation…*

*The site visit was very thorough and well thought through, disciplined and well done. It was structured and clear.*

Comparisons were made to other funding bodies that participants had experience with, particularly in relation to the level of rigour of the process. A number of participants cited examples of receiving similar sized grants from other funders without having to put in the same level of effort at either the application stage or the reporting stage.

*It's a rigorous process and I can spend the same amount of time putting together a proposal to other foundations with a high degree of confidence of success, compared to an application to Impact Austin with a maybe one in thirty chance of success, it's a pretty tough call sometimes.*

*It was very time consuming, however we did get over $100,000 but for about a third of the effort we could get that from some place else.*

*We received funding for approximately the same amount as the Impact Austin grant, and it was around the same time, and all we had to do was write two reports and send them in, so for the same level of money, there is more work associated with an Impact Austin grant.*

One participant suggested that larger organisations could view Impact Austin funding as 'fun money'. The participant elaborated that comment by saying that for a larger, more stable organisation it is an application for a project that the nonprofit would like to do but that they do not have to do. This participant offered a further view that Impact Austin funding is a perfect process for a young nonprofit organisation that is still growing and for whom US$100,000 is going to make a lot of difference.

*I think there are two types of organisations that apply to Impact Austin; one is the young nonprofit who desperately needs the money for a project that they are not going to get funded some other way, and older nonprofits that are willing to roll the dice.*

Agreeing that the processes around the grant were extremely thorough, a number of participants focussed on the high level of value gained for their organisation as it was necessary to ensure that all areas were in order.

*It was a rigorous process going through that but it did help us focus on different aspects of our organisation and made us answer some questions that we didn't necessarily have answers for.*

*Nonetheless, the process was extremely rigorous especially around the questions that we had never thought about but as an organisation I needed to address. It made me address some things that we hadn't considered. It was very helpful.*

It was acknowledged by one participant that while it is a very challenging process, Impact Austin has given a lot of thought to the fact that the process is a serious investment for organisations so they are very disciplined in their own grantmaking processes.

> *The process is a big drain on organisations so they are very deliberate, once you have submitted your two page LOI, they will get back to you about moving through to the next phase and organisations will only stay involved if they're serious contenders.*

The findings from this sub-theme leave no doubt about the rigour and thoroughness of applying for and receiving an Impact Austin grant. Reporting back to Impact Austin committee members after being awarded funding is further highlighted in the following sub-theme.

*3C Being accountable*

As was indicated in the previous sub-theme by one participant, staff were not used to collecting data or reporting back to funders, as they were required to do to meet the terms of the Impact Austin grant. While all other funding bodies do require a level of reporting back on how the funds have been acquitted, the higher level of accountability and reporting back required by Impact Austin was also highlighted by other participants as requirements they were not used to.

> *Because Impact Austin is so rigorous with follow-up and wanting reports, that was actually the first time this organisation had ever been accountable to anyone.*

'Profound change in the culture of our organisation' was how one participant described the experience of being accountable to Impact Austin. Prior to receiving their grant from Impact Austin this organisation had never provided a report to account for how funds had been acquitted.

*That is a profound change in the culture of our organisation…when you are suddenly accountable for how you fulfil your mission and how you spend grant money, which is really important I think for organisations. Before, we could just do what we wanted to do.*

Another participant described the pressure of reporting and accountability to Impact Austin as providing value to their nonprofit organisation.

*We had to become stronger in data collection, in communications, in strategic planning, because we had to be accountable, and without that pressure I am not sure how that would have evolved organically otherwise.*

While all participants in this study had received funding from Impact Austin, many had applied to them numerous times before. The following sub-theme describes the range of experiences of those organisations.

*3D Multiple applications*

Of the participants interviewed for this study only one had received funding from Impact Austin more than once. This participant felt that Impact Austin had initiated positive changes between when they first received the grant and the second time. The participant clarified that changes were not in the core operations or processes, rather that Impact Austin had given a lot of thought to the final presentation and believed that the process was now more objective.

*We had a client speak the first time and I reckon that boy really got us the money. He wasn't it but it helped. So I really don't think that's fair.*

Almost half of the interviewees had applied multiple times before being awarded a grant. Reflecting on the times they were not funded, participants highlighted that the process was very good and even though it was not a positive result of receiving a grant, one participant focussed on the encouraging experience of going through the process and not receiving funding on those past occasions.

*We had applied to Impact Austin maybe twice before…it is a great process and even with the site visit, it was fun to have 10 women come out and do the visit with us because they saw something that obviously impacted them, so getting 10 potential funders in the room is fine with me. Even not getting the $100,000 is fine with me. Having 25 women in a room review my proposal is fine with me.*

*It's the same project but it's been massaged many times. To get past the LOI every year there was something about our project that was appealing. It was up to us to figure out what we had to do to add to the application. My Development Director was driven by the fact that there were more women every year that didn't know about us before.*

One participant believed that their organisation was fortunate because their proposal could be presented in two categories. After being knocked back twice in one category they submitted their proposal again in a different category and received the funding.

*We had come to understand that Impact Austin receives fewer applications in the environment category and we were fortunate that our program could fit into two or three focus areas.*

Participants also indicated that when they are next eligible, they will apply to Impact Austin again.

There are many giving circles operating in Austin and most participants in this study had experiences with these other organisations. The following sub-theme describes the range of their interactions.

*3E Other giving circle experiences*

*Yes but quite different to Impact Austin. Different in that it's much smaller gift levels and more about volunteering and community fundraising kind of activities.*

There are numerous giving circles or models similar to giving circles operating in Austin; however, it appears that none operate in quite the same way as Impact Austin. Most participants had previous experience with other circles and had received funding. All described the experience as being quite different to the one they have with Impact Austin. The four main points of difference between other circles and Impact Austin was that: others offered and were seeking volunteer opportunities for members, they appear to be more socially-based, the gift levels are much lower, and the level of rigour in the process.

Also highlighted as a major difference between Impact Austin and other giving circles was that, even though rigour is paramount in their processes, it is a very supportive environment that they create for the nonprofit organisations. Examples cited included the help given to organisations once they are through the LOI stage, the feedback and the opportunity to adapt the proposal to increase the possibility of being awarded a grant. As described by one respondent, the Impact Austin process is 'iterative'.

> *What is great about Impact Austin processes is that obviously it's good that they vet everything, it makes you think things through, it takes an enormous amount of staff time, it's a pain in the neck, but it does clarify what you're trying to do, but the fact that there are visits, and there's preparation, and there's sort of help to get there.*
>
> *Impact Austin is iterative and as long as you make the first cut you're going to get a bit of feedback for the next piece, and then feedback for the next piece. So if you're listening to that feedback and you adapt, your proposal will improve.*
>
> *Yes, but not the same as Impact Austin. [Name of giving circle] is a little bit like that but they're looking for volunteer opportunities. You have to create those opportunities. They want their members to volunteer and that's where they learn about the community and then the money comes with it.*

Two interviewees knew of a giving circle whose membership included members of Impact Austin. As well as having had experience with other giving circles and highlighting major differences between those and Impact Austin, all interviewees have received funding from other foundations and the range of those experiences are explored in the following sub-theme.

*3F Other foundation experiences*

All interviewees in this study receive funding from foundations operating in Austin and beyond. Again, comparisons were made between Impact Austin and other foundations, with interviewees having had a range of experiences. Some highlighted that Impact Austin's processes were far more rigorous than those of other foundations. Another's opinion was that while Impact Austin's processes are formal, they are a 'simple formal'. Others had the view that they were in fact quite similar to other foundations in their level of rigour.

> *While it's robust and rigorous, so are a lot of other foundations.*
>
> *There are some foundations that I never meet face-to-face, I never see anyone. There are some foundations that don't require me to sign a contract, essentially there is no agreement, it's just that I apply and they send a cheque.*

How other foundations engage with the nonprofits was also compared to the experience with Impact Austin. The main point of difference that was raised by one participant was that compared to a family foundation or other foundations, where nonprofits might be liaising with a program officer, once the grant is received it is just a matter of ensuring that the nonprofit gets the reports in on time. With Impact Austin it is a group of people who become completely connected and engrossed in the nonprofit through the processes of the grant.

One participant spoke about similarities between Impact Austin and several traditional foundations in Austin. This participant referred to the high-engagement model adopted by both in supporting the nonprofits they funded.

Another participant described Impact Austin as 'somewhere in the middle, probably more on the high end' in relation to how their nonprofit organisation engages with funders. For another participant, the engagement required with Impact Austin compared to other foundations is ‘at the highest end of the high touch range’.

> *Compared to the other foundations we receive funding from, Impact Austin are at the highest end of the high touch range, however the other foundation income we’ve received is not in the same range as Impact Austin. I would almost put Impact Austin up there in the same level as a government grant where there’s a lot more upfront and reporting required.*

One point of difference made by all interviewees was the level of personal time and energy invested by members of Impact Austin. As said by one respondent, ‘for many people it’s new and they’re bringing to it as much their personal passion and commitment as their resources’.

> *Some are real powerhouses. My hope is that we can tap the energy of the people. Not so much to help [name of organisation] but to help the community. Impact Austin has more of that kind of energy than you would normally find.*

> *They’re bringing in folks who are new to community involvement, community engagement, new to this philanthropic activity, not just giving the money, but attaching themselves to organisations to make a difference.*

> *It is unlike almost everything that is out there in terms of a funding opportunity. The relationship is a real partnership.*

One respondent spoke about their experience when a project did not go according to the original plan of an Impact Austin funded project. The experience was described as being open and consultative and a commitment of working together to find a solution, thus reinforcing the idea that Impact Austin provides a supportive environment for their community partners. This had not been the experience of this participant when plans had gone awry following funding from a different funder.

> *They were very encouraging of us to learn why something would have this kind of impact and what are the other factors that contribute and they were very encouraging about that.*

> *That is completely freeing compared to relationships I’ve had with funders in the past.*

*With Impact Austin we've been very honest about stumbling blocks, whereas with another funder we might try to resolve it for a longer time whereas if something was to come up with Impact Austin and I think this could be a problem, we'd be more likely to talk to them about it right away.*

Receiving that same high level of support from other foundations when projects had not gone to plan was the experience of other participants in this study, which emphasises that there are a range of experiences that participants have with other foundations.

This theme drew on the experiences that nonprofit organisations have with Impact Austin in the process of applying for and being awarded a grant. Ideas were also explored in relation to the organisations' investment of time and resources as well as the rigour of Impact Austin's processes. This theme also highlighted that most participants had experience with other giving circles and differences between the circles were expanded upon. Finally, this theme emphasised that there is a variety of operating frameworks and engagement levels required by foundations that participants receive funding from, and differences and similarities were drawn between those foundations and Impact Austin.

The following theme brings to light the views of participants about the future funding direction that Impact Austin might consider.

*If you're only paying for what the direct service is then where does the rest of the money come from? I would encourage them to continue the investigation.*

### 5.2.4 Theme 4: Future funding direction

As reported previously, Impact Austin does not fund overhead or infrastructure costs that are not directly aligned to the project it is funding. Participants in this study suggest that this might be an area that Impact Austin reconsiders in the future.

*I would like them to educate their members about how nonprofits work specifically in that half of your budget at least is salary, we're not selling or making widgets, there's no widgets going in or out, it's all about people.*

Several participants reflected that while receiving a grant from Impact Austin is significant in terms of taking the nonprofit to another level initially, they would ask the members to see the value in capacity building and that extending the scope for grants to include infrastructure will enable organisations to build that capacity. One participant asserted that there is an understanding about the rewarding experience and gratification for the members of Impact Austin when they can see that their gift is going directly to a service.

*I'm not sure that their membership would be as motivated if they weren't watching videos of the organisations they had given money to with the human beings, or the animals, right there on the video and they can think that's where my money went to. That makes sense to me.*

A number of interviewees believed that if Impact Austin's funding enabled capacity building, rather than nonprofit's necessarily coming up with new programs or the expansion of programs, that Impact Austin would in fact be supporting the nonprofit's future sustainability.

*It gave us an opportunity to shine a light on a program that was very special to us, connect a lot of new individual donors and volunteers to our organisation and of course it's worth it, but we would have loved to have done some capacity building with it.*

*I think it's an unfortunate limitation but nobody wants to pay the light bill. I think that is a little bit of a barrier, and maybe even more so for smaller organisations. I do think not being able to fund infrastructure is a bit limiting.*

Continuing the idea that Impact Austin extend its scope of funding, one participant expressed the view that as Impact Austin evolves as a funder perhaps budget-relieving grants would be an area to consider.

> *…that they could make that shift to assist with other types of capital where especially for a nonprofit, especially when the economy tanks, asking us to apply for a new program is not an easy thing but was valuable nonetheless. We still benefited from it even though it required us to take this important gift and put it somewhere where it wasn't going to be budget relieving.*

With the exception of one participant who said that in Austin there are a couple of foundations that will fund capital, relaying an experience of one such foundation that did provide funding for infrastructure, participants recognise that it is not common.

> *God bless them, they've replaced [item] and that's the least sexy thing in the world but if we didn't have that replaced we wouldn't have a service.*

> *A lot of the funders that we work with don't fund overhead or infrastructure but I think they should look at that.*

As supported by the literature, giving circles are still relatively new constructs for organised philanthropy and key characteristics are that they are attractive to individuals who are experiencing philanthropy and community involvement for the first time. One interviewee proffered the view that the members' desire to only fund direct services correlates with this new-found philanthropic and community experience.

> *These are not trained philanthropists, even people who have necessarily thought much about the community, if they were then I think they might think more about funding some capacity building for organisations but the sort of newness and giving funds toward a direct program to me seems like someone who is sort of new in philanthropy and needs that immediate gratification so that's why I think that occurs.*

The idea that Impact Austin extend its scope of funding is explored further in the following theme under the broad topic of advice that participants in this study would give to both Impact Austin members and to nonprofit organisations considering applying to Impact Austin for funding.

### 5.2.5 Theme 5: Advice

Highlighted within this final theme is advice that participants would have for both the members of Impact Austin and to other nonprofit organisations that are considering applying to Impact Austin for funding. Ideas are captured in two parts: firstly, advice to Impact Austin; and second, advice to nonprofits.

*5A Advice to Impact Austin*

Ideas elaborated upon include:

- clearer instructions;
- decision-making within Impact Austin;
- compensation for the investment of time;
- broadening the scope of grants;
- reconnecting with the grantees; and
- respect for Impact Austin.

One participant reflected that there was some confusion as to who was who within Impact Austin at the beginning and as their nonprofit moved through the various steps in the process. This participant said that their organisation worked their way through that by being responsive to all requests; however, as there were numerous individuals from Impact Austin asking for different elements there was a degree of bewilderment. To overcome this confusion the participant suggests that it would be helpful for the nonprofits to receive a document outlining the structure, the various committees and what each individual or committee would require from the nonprofits. It was asserted though that during the process nonprofits do receive 'a timeline and a wonderfully articulated reasoning behind the timeline', which was all very helpful.

*There was a lot of people introducing themselves to me and telling me when things were due, and I was a little unsure as to what that structure was and who I really needed to be talking to, that was a little bit strange. So figuring out who they were, and then working out what it was they were actually asking for, I think that part is a little cumbersome, a bit like walking through mud.*

One participant who is now a member of Impact Austin shared her observations following her experience of being on one of the committees. Her reflection was of the high level of consultation that occurs within the committees before decisions are made. She went on to describe a cumbersome process of accumulating everyone's ideas which included courtesy phone calls and emails to different groups of people and having to understand the social network within the committees, getting their feedback and buy-in before moving forward with a decision that could have been made between two people. This participant recognised that this was more an observation, rather than advice to Impact Austin, because she asserted that although 'that is really strange to me' that highest level of engagement and consultation does appear to work well for the membership.

*…and if you don't get an email response from someone, you contact them again, even though you may not be that interested in what their answer is, but until they say yes it's what you do, and then you go great I've got everybody. That is really strange to me. But it seems to work for them in developing a culture of engagement and I think it's that culture of engagement that has made them as successful as they are.*

A piece of advice offered by one of the participants was in relation to Impact Austin awarding a 'runner-up grant' to each of the nonprofits in the five focus areas that do not 'win' at the grants ceremony. As described earlier in this thesis, the final two nonprofit organisations within each of the five categories present their project to the entire membership at the annual meeting. It is at this point that the members of Impact Austin do a secret ballot vote to decide which five nonprofits will receive funding for that year. This presentation by the nonprofits is a short stand-up exposition of their project. In the lead up to the annual meeting presentation a committee from Impact Austin is appointed to work with the nonprofit to 'polish' and present their project.

> *I think it's really important. I think when they collect $542,000 the $42,000 should be split up among the runners up. I was crushed because the other nonprofit in our category had applied before, had been a finalist before and hadn't made it. They had a very good idea…it just wasn't quite as compelling as what we're doing. And I know what they had to do, it's a lot of work, and at the end of all that to have nothing, I really think that there should be.*

This participant stressed that the 'runner-up grant' was to compensate the nonprofit for the investment of time and resources they would have put into applying for the grant, rather than it being a 'second prize'.

> *The investment of time should be compensated, or offset, by a small, unrestricted grant.*

Another suggestion to Impact Austin was about broadening the scope of the funding to go beyond funding direct services or new programs.

> *Let's face it, none of us knows exactly where we're going to get the money a year from now, or two years from now when a grant runs out. There is a destabilising factor if you're starting something and hiring staff and then there's no funding on the other end. We do it all the time in nonprofit, betting on the income, because there's so much need. I think it's a critical issue for giving circles that they only want to fund projects when as nonprofits we're really not sure how to sustain them.*

One participant's reflection was that if she were a member of Impact Austin she would want to connect more with the nonprofits following the years of the grant. This participant also recognised, however, that this opportunity is available to the individual members and, as reported previously, members wishing to engage with the nonprofits need to find their own way to them.

The final thoughts to emerge were again less about advice to Impact Austin and were more about participants' final summations about Impact Austin. One interviewee reflected that as an Executive Director who is involved with many philanthropic organisations she could give all kinds of advice that would serve her own purposes. This participant went on to say that she could make suggestions about making the process easier on nonprofits, that they do not need to do a site visit or that they do not need that level of detail; however, she respectfully chose not to and acknowledged that ‘what they do and their potential is amazing’.

> *It would be easy for me to say you don’t need a site visit, or you don’t need that level of detail but you know what, maybe they do.*

Other participants spoke about their respect for the Founder and Chief Executive Officer of Impact Austin and the contribution it makes to nonprofits in Austin.

> *What they do for philanthropy in Austin, to a completely untapped market is not something I am going to contest.*

Several made the point that applying for and receiving a grant from Impact Austin is open and transparent and in one participant’s words, ‘it is what it is, they tell you, this is it, you either buy in or you don’t’.

### *5B Advice to other nonprofit organisations*

Ideas elaborated upon include:

- choosing the focus area;
- understanding that they are looking for impact;
- seeking advice;
- the process;
- investment of time and resources;
- avoiding mission drift; and

- enjoying the benefits.

Two participants highlighted the importance of choosing the focus area that the nonprofit organisation enters their application in. Funds are awarded across five focus areas and it is up to the nonprofit organisation to submit their application in the category that best suits. Impact Austin will not provide advice in relation to this. Participants noted that while for most nonprofits making the category choice will be straightforward, there are nonprofits and projects that could fit into a number of focus areas.

> *…we decided to apply in the environment category instead of in health and wellness …so we really focussed on that aspect of it instead of on the health and wellness and we had also come to understand that Impact Austin receives fewer applications in the environment category.*

> *One of the learnings for us was to figure out the best way to present the program, which included changing the focus area. We were fortunate that our program could fit into two or three focus areas, that couldn't be done artificially.*

Several interviewees offered the advice to other nonprofits considering applying to Impact Austin that they must understand that Impact Austin is seeking to fund projects that have real impact.

> *I would say that Impact Austin members are literally looking for impact. They want to make a transformative gift that they believe will dramatically change a social issue in your area.*

> *Identify the program that is truly transformative and prove your theory of why that will make your organisation stronger.*

> *Have impressive stats, and a heart-touching story, and if you get all the way to the end, you have to have a spokesperson who comes off as competent and caring.*

Many suggested that nonprofits seek advice and gather intelligence from colleagues who have been funded by Impact Austin.

*The minute we got notice that we were getting a site visit my first visit was to [name of colleague] and my second call was to [name of colleague] because they had won Impact Austin grants the year before. I asked [names of colleagues] how they did the site visit. We planned our site visit accordingly, along with the notes that Impact Austin had given us but the community partners were open to helping us. My advice would be talk to Impact Austin although they are very rigorous about what they can and can't say to people.*

One participant proffered the view that there is so much learning in making it through various stages of the process even though the application was not successful. The participant went on to say that the richness of that experience has since been applied to a further application, which was ultimately successful.

*I now know what they're looking for down the road. I know to focus on that word impact, not just we're going to expand this program. It's how does this one-time infusion of money take something to the next level and then how do we sustain it.*

*I think I learnt more after we got past the LOI stage and particularly when we became a semi finalist because we got a lot of feedback and an amazing amount of coaching for all of the nonprofits. I learnt what the members are looking for in the presentation.*

As has been highlighted in a previous theme, Impact Austin's processes are rigorous and thorough. In sharing their advice to other nonprofits, participants all asserted the importance of being clear, focussed, efficient and honest, and not to become overwhelmed.

*I would say it's very important to be very clear in the proposal, it's important for all staff and board to be on the same page.*

*It is not wise to become overwhelmed by the process but rather to enjoy it and look at the benefits. There are too many benefits to let yourself become overwhelmed. Be streamlined, efficient and clear and on the same page with everyone and then enjoy the spotlight.*

One participant suggested that nonprofits could see Impact Austin's processes as intrusive and bothersome, and encouraged organisations to view them as a challenge and an opportunity to ensure that internally as an organisation they are robust.

*If for some reason they're not finding themselves able to rise to the challenges of the process to then look at their processes because in some ways it's almost like an internal audit and you need those things, you want those things. If you're struggling meeting it well then it may be your processes.*

Having an understanding that the process of applying for and then being awarded a grant from Impact Austin is going to take considerable time and resources is the advice offered by one participant. In addition, this participant asserts that it is imperative that the nonprofit has a clear strategy for how the program will be sustained when the funding ends.

*It's going to take more time and more resources than you would think. The LOI is easy but if you truly want to be considered to go through the full process it's going to take more work than you think. It's very easy to be excited about the prospect of $100,000 but that's just this year, what are you going to do in the future to sustain it?*

One interviewee stressed the importance of not being tempted to drift from the nonprofit's mission just to attract funding.

*Resist the temptation to deviate from your mission to attract the dollars, present what you need to present mindful of what they need.*

The final idea to emerge as advice to other nonprofits was to embrace the benefits that are forthcoming when awarded a grant from Impact Austin.

*Be open to the gifts you will receive from the process, be fully open to it. And the way you do that is that you always say yes, the answer is yes...they want to come and do a site visit, yes; they ask you to come and do a coffee, you say yes; whatever it is there is only good things that come from it. If you can have a spirit of not just openness but kind of joyful openness then amazing things will come but I don't think it will come if you're in a mind frame of feeling that you're being infringed upon in any way. That it's a hassle that it's not working. I think that kind of attitude means that you won't get the benefits and you'll just prove yourself right.*

In summary, this theme drew out numerous pieces of advice that participants in this study would give to both the members of Impact Austin and to the nonprofit organisations considering applying for funding. Participants also reflected on some observations they have made while working with the funders.

## 5.3 Chapter Summary

From the findings presented above it is evident that there are good working relationships between the nonprofit organisations and the members of Impact Austin. One nonprofit representative's description of the benefits beyond the grant when an organisation receives funding from Impact Austin, '…they have developed such a reputation…that it really makes a difference. It has really impacted, positively, our visibility and our brand', is indicative of the value that the nonprofit organisations in this research place on the members of Impact Austin and their funding.

Comparable to the refinement of overarching themes and sub-themes in Chapter Four, the same process occurs with the themes and sub-themes in Chapter Five. They are distilled to highlight the standout ideas, which will be discussed further in *Chapter Six – Discussion and Conclusion*. In exploring sub-question 1a) 'what are the range of stakeholder experiences of giving circles and nonprofits working together?' the standout ideas to emerge are: the process, benefits beyond the gift, value of the gift, private philanthropy, engaging with Impact Austin, and other funder experiences. Sub-question 1b) asks, 'how best might giving circles and nonprofits work together?' with the standout points being: stewardship, broadening the scope of funding, appealing to Impact Austin, and embracing the benefits.

The standout ideas in Chapters Four and Five are now presented in Chapter Six, which provides a final discussion and interpretation in relation to the research question and the literature presented in *Chapter Two – Literature Review*. Chapter

Six also includes implications for theory and practice, followed by suggestions for future research. The thesis summary concludes the chapter.

# Chapter 6: Discussion and Conclusion

## 6.1 Introduction

The previous two chapters presented findings from the interviews with eight participants from Impact Austin and 12 representatives from the 10 nonprofit organisations it has supported. Overarching themes from the members of Impact Austin are: motivations to join Impact Austin, the rigour of the process, the relationship with nonprofits, the Beyond Impact campaign, and general advice for nonprofits. Similarly, overarching themes from the findings from interviews with the representatives of the nonprofit organisations also have been captured, those being: the value of Impact Austin funding, engaging with Impact Austin members, the process, future funding direction, and general advice to both Impact Austin members and nonprofit organisations.

The themes developed through analysis of the findings are now distilled to the standout ideas, providing a final discussion and interpretation in relation to the central research question and the two sub-questions, and the literature presented in Chapter Two. The discussion is ordered under the headings of the research question and the two sub-questions. Also included in this chapter are implications for theory and practice as well as directions for future research. The chapter concludes with the overall thesis summary.

### 6.1.1 Review of research framework

The overall purpose of this research is to:

- understand the relationships between giving circles and nonprofit organisations;

- gain insight into how nonprofits are responding to this new style of high-engagement, hands-on philanthropy;
- uncover and describe the participants' perspectives on the relationships that exist between giving circles and the nonprofit organisations they support; and
- build on previous research and offer fresh insights into the relationships between giving circles and the nonprofit organisations they support.

A review of the relevant literature in the areas of philanthropic psychology, philanthropy and fundraising marketing, nonprofit organisations, and giving circles identified a gap in the literature and the need to further explore the relationships between giving circles and nonprofit organisations. Based on this literature a research framework was developed to guide the research. The framework was presented in *Chapter Two – Literature Review* and is revisited as Figure 6.1.

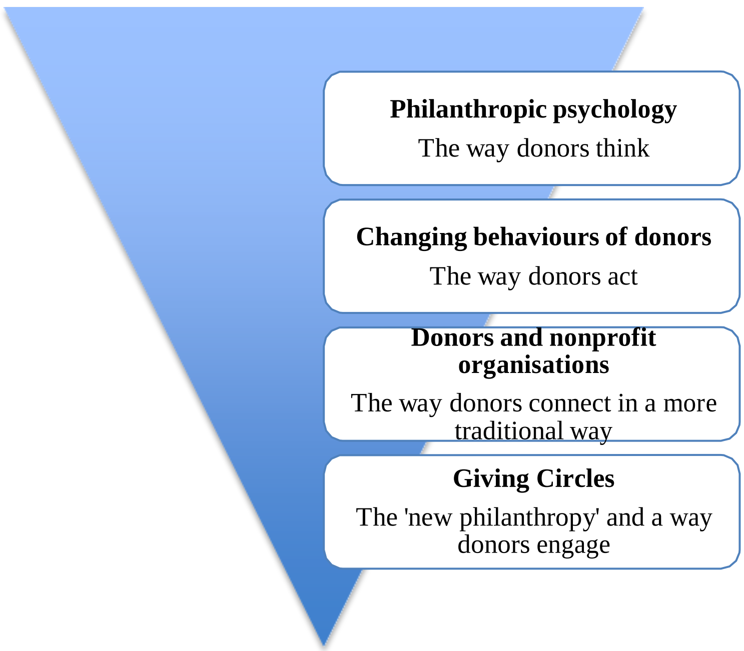


*Figure 6.1:* Research framework (presented in Chapter 2 as Figure 2.1)

From the broader purpose of the study, and the research framework presented above, one central research question was identified and, to explore that, two sub-questions developed. The findings of this research, as they relate to the research questions and relevant literature, are discussed in the following section. Given that the range of experiences is unique to the members of Impact Austin and the representatives of the nonprofit organisations, the interpretation of the findings for each cohort is presented separately under each of the sub-questions.

## 6.2 Research Question

***What are the relationships between a giving circle and the nonprofit organisations it supports?***

Reflected in the findings from this research are that, unanimously, the relationships between Impact Austin and the nonprofit organisations it supports are valued and respected. There is no doubt that Impact Austin has clear expectations that the nonprofits will adhere to the strict guidelines of the grant and that all reporting and evaluation deliverables will be upheld. It is also evident from the findings that Impact Austin develops a relationship with the nonprofits that is supportive and encouraging and, in their own words, they are ‘cheerleaders’ for the organisations. From the perspective of the nonprofits in this thesis, they have the greatest respect for the members of Impact Austin, what they have achieved in terms of providing philanthropic grants to organisations in Austin, as well as the philanthropy and community engagement they foster within their membership. While it is accepted by the nonprofits that the grants process is rigorous, they also embrace the benefits that accrue from the relationship with Impact Austin. The only area of challenge to the nonprofits is how to effectively steward the members of Impact Austin following the two-year term of the grant. To arrive at this summary of the central research question, two sub-questions were developed to further delve into the stakeholder relationships. That deeper analysis into the aspects that frame the answer to the central research question is presented below.

## 6.3 Sub-question 1a

***What are the range of stakeholder experiences of giving circles and nonprofits working together?***

### 6.3.1 Impact Austin perspective

Impact Austin is a classic formal giving circle according to Eikenberry's (2005) definition. Eikenberry describes the characteristics of a formal giving circle as more prescribed in its structure and decision-making processes, with a formal governance structure comprising a board, committees and members. Grantmaking decisions usually involve committees making decisions directly or making recommendations for a full membership vote. The major focus of a formal giving circle is educating members about philanthropy and community issues and engagement with funding recipients. In addition, giving circles engage members in various roles within the circle, have a say in the projects it funds, and often volunteer for recipient organisations (Eikenberry, 2005, 2006, 2007a, 2009; Eikenberry & Bearman, 2009). These traits are all characteristic of Impact Austin. At the time of this research, Impact Austin had 542 members each contributing US$1,000 per annum to a pooled fund and, through a process described in section *4.2.2 Theme 2:*

*Rigour of the process*, funds are distributed equally on an annual basis between five different nonprofit organisations, within five focus areas.

As described in Chapter Four, the findings from the interviews with members of Impact Austin were all important; however, across the study, four standout ideas emerge to describe their experiences: having control over their philanthropy, being a philanthropist, increased giving and education about their community, and leadership within Impact Austin.

*Having control over their philanthropy*

Impact Austin is a group of individuals who are seeking to have impact through their philanthropy, it is structured and formal in its processes, and with a high degree of discipline in everything it does. Members are engaged, and all members are given the opportunity to be involved at the level that she wishes to be involved. The encouragement of members being involved in the processes supports the notion that giving circles provide opportunities for democratic participation (Eikenberry, 2009).

Having control over their philanthropy is of paramount importance to the members of Impact Austin and this is achieved through the meticulous grantmaking processes it has adopted. This desire of control is consistent with the literature exploring the 'new philanthropy' – philanthropy that scholars and fundraising practitioners describe to be a new and engaged level of connection being sought by philanthropists (see for example Ahern & Joyaux, 2008; Burnett, 1992; Eikenberry, 2009; Fernandez, 2001; Havens & Schervish, 2003; John, 2006; Moody & Goldseker, 2013; Ostrander, 2007; Rosso & Tempel, 2003; Sargeant & Jay, 2004a;

Sprinkel Grace, 2005). Findings indicate that Impact Austin is seeking this through the granting of funds as well as being involved with the nonprofits it supports.

Impact Austin's ethos of hands-on involvement with nonprofits includes assessment of the nonprofit's fiscal rigour, strategic alignment to the project for which they are seeking funding, and following the grant through regular reporting and quarterly site visits to the nonprofit. As shared by one member of Impact Austin, when nonprofits receive a grant Impact Austin is going to become very involved in the nonprofit's business because it wants to oversee how that grant money is spent, whether what was presented to them is in fact what is being done, and that the metrics are in place to confirm the results the membership of Impact Austin expects.

In describing 'donor-controlled philanthropy', Ostrander (2007) argues that central to this idea is that donors are seeking to have complete control over the direction of a program or even the creation of a program that might be of particular interest to the individual. While Ostrander is particularly referring to wealthy individuals, Impact Austin members do also want to have control over their philanthropy, although this is evidenced more in their processes and demand for accountability as opposed to creating or changing program direction. Because of the grantmaking processes within Impact Austin no one member is able to control an outcome or have influence over which nonprofit will be awarded funding. As evidenced in the findings of this thesis, the level of control that members of Impact Austin seek to have over their philanthropy suggest that Impact Austin exhibits moderate characteristics of donor-controlled philanthropy. The implication of this is that nonprofit organisations may not be able to meet the expectations of Impact Austin, resulting in a suboptimum relationship between the giving circle and nonprofit organisation.

At an individual level, that ‘women are taking control of their lives, their finances, and their philanthropy…and want more accountability from their philanthropic gifts’ (Shaw-Hardy, 2009, pp. 8-9; Taylor & Shaw-Hardy, 2006, p. 192; 200) is indicative of the involvement of the women of Impact Austin as members of a giving circle. The findings from this research also support Eikenberry’s assertion that one of the most cited reasons why individuals join giving circles is their desire to ‘be more engaged in the giving process…and having an opportunity to interact directly with grantees’ (2009, pp. 75-76).

*Being a philanthropist*

The members of Impact Austin now see themselves as philanthropists as opposed to being ad-hoc ‘cheque writers’. Evident in the findings is that the collective giving concept enables the members’ US$1,000 contribution to have greater impact than if they were making this gift as an individual. This notion of being a part of something bigger than self through the collective giving concept is also highlighted in studies by Andris (2011), Eikenberry (2009) and Runik and Beaudoin-Schwartz (2003). Taylor and Shaw-Hardy’s (2006) identification of collaboration as being a strong preference for women working together as part of a larger effort also supports the concept of collective giving that is so appealing to the members of Impact Austin.

Taylor and Shaw-Hardy’s ‘celebrate’ concept – that ‘women seek to celebrate their accomplishments, have fun together, and enjoy the deeper meaning and satisfaction of their philanthropy’ (2006, pp. 191-192) is also confirmed through the new identity as a philanthropist that the members of Impact Austin have, the bond they have with the giving circle and their belief that it is a valued part of their lives.

Highlighted by the members of Impact Austin is the freshness of the giving circle concept. Members spoke about past experiences of giving small amounts to nonprofit organisations either through appeals or activities, which are the more traditional ways to engage with nonprofits; however, being a member of Impact Austin had moved them from this more random giving practice to being a philanthropist. Section *2.4 Donors and Nonprofit Organisations* of this thesis summarises the numerous ways that donors typically connect with nonprofit organisations. These more traditional efforts, such as appeals and community fundraising activities, are the examples that members of Impact Austin in this research have been involved in, in an ad-hoc way, and have moved away from through their larger, more considered and strategic giving that the giving circle environment facilitates. John et al. (2007) define philanthropy as 'engaging the head and the heart with an organised and planned strategy, rather than only reacting to donation requests in an ad-hoc manner' (p. 11). The members of Impact Austin would also align their newfound philanthropy with that definition.

*Increased giving and education about their community*

One of the key elements of giving circles is education about philanthropy and having a greater understanding about issues in the community (Eikenberry, 2009). Eikenberry's theory is confirmed by members of Impact Austin who describe their new understanding and connection to community as a result of being a member of the giving circle. Eikenberry also suggests that educating members of a giving circle has two elements: the informal and the formal. Informal is achieved through the process of grantmaking and from site visits to the nonprofit organisations being considered for funding, while the formal is enabled through educational sessions and workshops, seminars and presentations. Impact Austin has developed a more formal educational component to its giving circle, which also serves to support the literature. Members also speak with passion about a ‘personal journey’ they experience through committee roles, which enable them to be very connected to the nonprofits they are funding and their work in the community.

As well as the heightened awareness of community issues that members allude to, examples are provided of members making gifts to nonprofits in addition to the funding provided through the grants process. Increased giving by the members of Impact Austin as a direct result of their giving circle involvement supports the literature (Bearman, 2007a; Eikenberry, 2005, 2006, 2009; Eikenberry & Bearman, 2009). As understanding of community issues and philanthropy increases for the members of Impact Austin it is evident that these two elements also support Eikenberry’s claim (2005, 2006, 2007a, 2009): that giving circles democratise philanthropy, to varying degrees, depending on the size, structure and activities of the circles.

*The importance of giving circle leadership*

The members of Impact Austin interviewed for this thesis cite leadership of the giving circle, during both the start-up period and the ensuing years, as being critical to its success. At the time that this research was undertaken, Impact Austin was appointing its first ever paid employee, which would enable the founder and Chief Executive Officer to transition out of the role. Two elements are highlighted from the findings: firstly, that it was trust and belief in the leadership and the grantmaking framework that had been developed that was appealing to members and, secondly, it is a natural evolution of the giving circle that the volunteer leader would step aside and the organisation would usher in its first employee. The findings for this thesis are consistent with Bearman's study (2007a), which highlighted that leadership and the commitment of founding members are the two elements of significance in starting and sustaining a giving circle.

### 6.3.2 Nonprofit perspective

The range of experiences of the representatives of the nonprofit organisations in their relationship with Impact Austin are understandably different. While the findings from interviews are all important, the key themes are highlighted below. These are: the process, benefits beyond the gift, the value of the gift, private philanthropy, engaging with Impact Austin members, and other funder experiences.

*The process*

Nonprofit organisations all agree that the process of applying for, and receiving an Impact Austin grant is rigorous and for some it places increased demands on the nonprofit organisation. 'Challenging and confusing funding processes' is highlighted by the nonprofit organisation participants in Eikenberry's research (2007a), and while the nonprofit representatives for this thesis identified that the processes are thorough and rigorous, they also thought that the requirements provided an opportunity to conduct an internal audit of their organisation which, through the rigour of applying for a grant from Impact Austin, emphasised areas within their nonprofit organisation that needed attention. Representatives also speak about the respect they have for the members of Impact Austin and the discipline and rigour of the processes they have developed.

*Benefits beyond the gift*

Consistent within the findings from the nonprofit organisations are the benefits the organisations recognise that accrue as a result of receiving a grant from Impact Austin. One of the most prominent is the ‘seal of approval’, which is described by interviewees as evidence that their nonprofit organisation has been through a rigorous process to receive a grant from Impact Austin, thus making their organisation appealing to other funders. The ‘seal of approval’ is confirmed in Eikenberry’s study (2007a) whereby participants also viewed this as providing value beyond the funding.

Related to this aspect, interviewees for this thesis cited examples of having access to otherwise inaccessible funders/foundations because of the awareness that their organisation had received a grant from Impact Austin. Impact Austin is considered by the nonprofits interviewed for this thesis as a highly credible giving circle and an opinion leader within Austin, and receiving a grant from this group meant that their nonprofit was elevated in terms of visibility and kudos. A second point raised by the interviewees is the opportunity to have their organisation known by 500+ philanthropists who may not have known about them before.

*Value of the gift*

Consistent with Eikenberry’s study (2007a), interviewees for this thesis cite that the grant from Impact Austin provided capacity-building funding for their organisation and gave examples where their organisation went from strength-to-strength following the grant. All grants awarded by Impact Austin are more than US$100,000 and the nonprofit organisations emphasise that this level of grant is critical to making a real difference to their organisation. Interviewees point out that smaller grants are appreciated; however, it is the larger grants that make a significant difference to the programs being delivered by their organisation and the capacity-building and impact it has on their organisation.

*Private philanthropy*

There are mixed views among the interviewees in relation to private philanthropy from the members of Impact Austin. While some spoke glowingly about additional gifts that were forthcoming, others had not felt those effects. Prominent in this observation is that Impact Austin members must find their own way to the nonprofits if they wish to engage with them outside of the grantmaking process and that nonprofits do not have the opportunity to directly solicit Impact Austin members as donors.

*Engaging with Impact Austin*

While it is common for formal giving circles to become engaged in the nonprofits they are supporting through volunteering for the organisation (Eikenberry, 2005), for the most part this is neither the case, nor is it sought, from the nonprofits in this research. In addition to that, Impact Austin does not see it as its responsibility to connect members with nonprofit organisations for volunteering projects. This stand is consistent with Eikenberry's study (2007a) where nonprofit representatives encourage giving circles to recognise that nonprofits do not always need volunteers. Again, members of Impact Austin need to find their own way to the nonprofits if they wish to have any level of connection.

*Other funder experiences*

It is commonplace for nonprofit organisations to seek and receive funding from foundations. The nonprofits shared a variety of experiences in comparing funding from Impact Austin to other funders. These ranged from being similar to being far more difficult and rigorous, and at the higher-touch end of the spectrum. Literature suggests that foundations are becoming increasingly clear in defining their interests and expectations of grantee organisations, with added emphasis on post-grant evaluation (Tempel et al., 2011). While the processes of Impact Austin are considered rigorous by the nonprofits it appears that they are in line with the position that other foundations are taking.

Evident in the findings is that the experience with Impact Austin is a real partnership and a partnership that is at a different level to other funding bodies. This idea supports Eikenberry's research (2007a) wherein nonprofit representatives said that there is a personal dimension to the relationships with giving circles; more so than with other funders. Also highlighted is the notion of Impact Austin being very supportive of the nonprofits, even in times when delivery of a program has not gone according to plan.

## 6.4 Sub-question 1b

***How best might giving circles and nonprofits work together?***

### 6.4.1 Impact Austin perspective

From the perspective of the members of Impact Austin there are four key themes that are most prominent when working with nonprofits: ensuring that the project is delivered, Impact Austin's future funding direction, a greater opportunity to learn from the nonprofits, and stewardship.

*Delivering the project*

The greatest indicator of a successful relationship between Impact Austin and the nonprofits it supports is the delivery of the program, according to the agreement and the contract that was entered into between Impact Austin and the nonprofit organisation. Throughout the terms of the contract, Impact Austin has a number of reporting mechanisms in place to ensure the program is being delivered; this includes a liaison person appointed to the grant who has regular contact and site visit responsibilities. This level of accountability that Impact Austin seeks is confirmed in the literature (Byrne, 2002; Prince & File, 1994) which posits that donors are demanding results of the organisations they support. Eikenberry (2005) and Rutnik and Bearman (2005) also assert that the 'new philanthropy' embraces the concept of accountability.

Having trust and confidence in the organisations it supports is of utmost importance to Impact Austin: trust and confidence that programs will be delivered, that organisations have the capacity to deliver the programs and that the leadership of the organisation and program managers are aligned. Impact Austin views itself as an investor in the organisations it chooses to support and these characteristics reflect those of major donors as highlighted by McDonald et al. (2011).

Open communication is also cited as being imperative and it is this open communication that will ensure that any hurdles experienced by the nonprofit may be dealt with. Members of Impact Austin agree that it is a dual relationship it has with the nonprofits: one is to keep the nonprofits accountable, and the second is to work with them in a collaborative and supportive way.

*Future funding direction of Impact Austin*

There is a difference of opinion amongst the members of Impact Austin about whether or not it should keep with the original idea of only funding programs or expansion of programs and not funding general operating costs/overheads of nonprofit organisations. While this is not divisive amongst the members interviewed there is clearly varying views. For one member, who felt very strongly about not funding overheads, her view is that to do so would risk Impact Austin losing control of the funds. Other members expressed views that funding infrastructure would enable Impact Austin to be more 'nonprofit-friendly', recognising that program sustainability is of utmost importance to the nonprofits and the cost of managing programs must be funded from elsewhere if not from grants provided by Impact Austin.

*Learning from the nonprofits*

Also emerging as a key point is the opportunity that Impact Austin members have to learn about philanthropy and community issues from the nonprofits it supports. This desire to learn by the members of Impact Austin supports Shang's (2008) view that donors have an opportunity to understand the fundraising environment, which will enhance their philanthropic experience and activities.

A number of members interviewed gave examples of volunteering opportunities they had taken up with nonprofits that had received funding and the learning that flowed from those opportunities. One member suggested that volunteering would be an added connection that the members would have to the nonprofits and that it would be through this connection that increased giving would likely occur.

*Stewardship*

Throughout the grantmaking process and the ensuing two-year funding period of Impact Austin grants there is opportunity for committee members of Impact Austin to have a close connection to the nonprofit organisations that have received funding. It is recognised within Impact Austin that it is going to be the members who serve on committees who will most likely have the closest relationship to the nonprofits. Any other relationship that might develop between members and nonprofit organisations, however, is up to the individual member to pursue, as Impact Austin does not provide that opportunity for its members.

Findings indicate that three of the members interviewed believe that there is greater opportunity for connection between members of Impact Austin and the nonprofit organisations it supports. One of the interviewees suggests that when nonprofits receive funding from Impact Austin they (the nonprofits) will get as much involvement as they (the nonprofits) are seeking, suggesting that nonprofits need to have a stewardship plan for engaging Impact Austin members. It does appear though that while this engagement does occur between the nonprofits and the committee members of Impact Austin, it is more difficult to extend this to other members of Impact Austin.

### 6.4.2 Nonprofit perspective

The nonprofit interviewees identified areas such as stewardship, broadening the scope of funding, appealing to Impact Austin, and embracing the benefits of receiving an Impact Austin grant as being key highlights in how Impact Austin and nonprofits might best work together.

*Stewardship*

Throughout the two-year term of the grant from Impact Austin, stewardship according to Kelly's (2012) and Waters' (as cited in Tempel et al. 2011) definition does naturally occur because of the reporting mechanisms in place. These stewardship elements of reciprocity, responsible gift use, reporting and relationship nurturing are also the critical principle that Burnett (2002) espouses in relationship fundraising – that it engages with donors at every point throughout their individual journey with the organisation, 'ensuring that the relationship is as fruitful as possible for both parties' (p. 40).

Opportunities for stewardship and relationship fundraising are embarked upon during the two-year life of the grant and most nonprofit representatives actively pursue occasions to keep members informed of their organisation and the project that Impact Austin funded. Interviewees recognise, however, that it is really only during the two-year term of the grant that any significant stewardship occurs. Treating members of Impact Austin as major donors and engaging them as they would other major donors appears to have a positive effect. In terms of recognising the Impact Austin grant, one interviewee pointed out that while their nonprofit has a recognition policy and the Impact Austin grant is recognised in accordance with that, the interviewee noted that it is troublesome that all members of Impact Austin consider that they have each given the full grant amount.

A greater opportunity for connection with nonprofits is raised as a challenge and an opportunity in Eikenberry's study (2007a) of nonprofit representatives. Participants in that study speak about the difficulty in connecting with donors of the giving circle and that some giving circles do not allow funding recipients opportunities to interact with members. This is also a challenge for the nonprofit organisations in this thesis who report that while they would like greater connection to Impact Austin members, and are active in their stewardship responsibilities, the greatest challenge is having an on-going relationship following the two-year life of the grant. Comparing Impact Austin to other funders findings indicate that, unlike other funders, there is no ongoing relationship with members of Impact Austin following the two-year life of the grant.

*Broadening the scope of funding*

Extending the scope of funding beyond new program or program expansion is of real interest to the nonprofit representatives. All recognise that while it is appealing for funders to see new programs commenced by organisations in their community, of concern to the nonprofits is the sustainability of such programs, which may be compromised without infrastructure to support them.

The representatives in Eikenberry's study (2007a) also highlighted this theme, as they too suggest that giving circles consider funding administration costs and overheads and not just program costs. That said, Eikenberry's research indicates that many of the gifts received by the nonprofit organisations represented did go towards broader operating and capacity building efforts (2007a, p. 11). It is suggested by one nonprofit representative in this thesis that a desire to only fund direct services correlates with newfound philanthropic and community understanding and that this is the experience for many of the members of Impact Austin.

*Appealing to Impact Austin*

Another observation from the findings focuses on what appeals to Impact Austin as funders. Impact Austin wants the programs it supports to have real impact and make a difference to their community. It is willing to support nonprofits both large and small grassroots organisations and it is an organisation’s capacity to deliver the project and fiscal responsibility that is paramount. Impact Austin’s trust in the organisation it is supporting and the nonprofit’s confidence to deliver the program is of utmost importance and is supported in the literature as being a major element of the decision-making process of major giving (McDonald et al., 2011; Ahern & Joyaux, 2008; Sargeant & Lee, 2002).

*Embracing the benefits*

One of the key findings from the nonprofit representatives is to embrace the benefits of working with the members of Impact Austin. This idea supports Sprinkel-Grace’s (2008) advocacy of nonprofits welcoming the involvement offered by donors rather than resenting it. Nonprofit representatives in this thesis also encourage other nonprofits to look beyond the actual grant and to use the experience as an opportunity to foster relationships and increase the visibility of the nonprofit. Other nonprofits are urged to accept every chance that is presented to them to be in front of the 500+ members of Impact Austin and to use this as an opportunity to present their nonprofit and its mission to this group of philanthropists.

Five of the nonprofit representatives interviewed became members of Impact Austin after receiving a grant and spoke about their experience as a member and the view that Impact Austin is highly ethical and transparent in all its dealings. This is inconsistent with Eikenberry's study (2007a) where interviewees suggested a perceived lack of transparency in their giving circle experience. For the five nonprofit representatives who became members of Impact Austin and were interviewed for this thesis, there is a real opportunity for them to use their membership of Impact Austin to be a voice to increase the understanding of the sector as a whole.

## 6.5 Implications for theory and practice

This thesis is only the second body of research on giving circles to be undertaken which includes the perspectives of the nonprofit organisations. Eikenberry's study (2007a) was the first and this thesis builds on Eikenberry's study, although from a slightly different angle as it includes the views of the giving circle, Impact Austin. While the majority of the findings from Eikenberry's study are similar to those in this thesis, the main difference is that some members in Eikenberry's study were 'somewhat disillusioned' (2007a, p. 17) from the experience they had with giving circles however this is not the experience of the nonprofit representatives in this thesis. Although being careful not to make generalisations, this difference in experience between the participants in Eikenberry's study and this thesis adds another dimension to what is known about the experiences of nonprofit organisations in their relationships with giving circles.

In addition, findings from this thesis also confirm and support the literature in relation to the 'new philanthropy', particularly regarding the expectations that donors have from nonprofit organisations and the highly engaged, hands-on control they are seeking. It adds to this momentum towards a different type of giver – the new philanthropist – who in this case is not only giving as an individual, but also acting within the context of the group.

This thesis contributes to the field of relationship fundraising as it embeds more knowledge into this significant area of donor and nonprofit organisation's engagement with each other. As evidenced in this research those organisations that do receive funding from giving circles, must be treat them as major donors and consider this source as an important element in the development program of the organisation. To achieve this outcome, fundraising professionals need to embrace Burnett's theory of relationship fundraising (1992, 2002, p. 40) which engages donors at every point throughout their individual journey with the organisation. Also identified is the contribution that this thesis makes to philanthropic psychology through the self-concept area where Impact Austin members conceptualise themselves anew as philanthropists.

Findings from the study by Scaife et al. (2011) highlight opportunities for government to actively foster and promote philanthropy and as government has limited resources to fund nonprofit organisations it would appear to be in their best interest to enable donors' expressions of philanthropy to be as easy as possible. Giving circles are one such mechanism to be cultivated and perhaps promoted by government through such agencies as the national charity regulator – Australian Charities and Not-for-profits Commission (ACNC). There is great opportunity for government to be pro-active in this area and Eikenberry's research (2005, 2006, 2007a, 2009) confirms that giving circles democratise philanthropy, and if fostered and part of the public discourse, could provide another source of philanthropic revenue to flow to the nonprofit sector and assist to bridge the gap that government is unable, and arguably should not weather singularly. Finally, this thesis adds to the overall body of knowledge of the philanthropic environment.

The findings of this thesis have many practical implications and it is hoped that it will stimulate further conversation for fundraising practitioners in how they engage with not only the 'new philanthropists' but major donors who may wish to be engaged at a different level, compared to the more traditional means adopted by nonprofit organisations. As evidenced in both the academic and practice-based literature, giving circles are growing in number and are a powerful philanthropic source. An opportunity exists for nonprofit organisations, particularly smaller organisations, to engage and steward relationships with giving circles when the giving circle has identified them as an organisation they wish to support. This is a robust challenge for nonprofits as a traditional fundraising model, such as 'Moves Management', which is a structured progressive donor journey that moves people closer to the organisation through a series of planned activities, does not apply.

Emerging from the literature is that the process for applying to Impact Austin is typical for a formal giving circle however, for the giving circles that do not have a similar process, typically nonprofits have to be identified by the giving circle before the nonprofit can be considered for funding. This finding sets up a challenge for nonprofits in how they position themselves and make themselves known to these groups so that their cause is at the vanguard, or in the line of sight of giving circles. Outreach through existing board and other volunteers and donors as well as careful communication strategy to position the organisation in media and activities where giving circle members are found are possible approaches.

Findings from this thesis, as well as other literature that has explored giving circles indicates that there is a high level of support required by the nonprofit to meet the needs of the donors. This then requires the nonprofit to address resourcing issues such as, what commitment of time, expertise and funding of staff time are they willing to invest in the relationship. It is also possible that nonprofit organisations may decide that it does not suit their organisation to seek funding from giving circles, as they may not be willing or have the capacity to invest the time and resources required to service the relationship with the giving circle. It is paramount that nonprofit organisations, particularly smaller organisations, understand the requirements of the giving circle before seeking funding.

In addition, evidence indicates that many members of giving circles are experiencing organised philanthropy for the first time and that through the giving circle experience their commitment to giving is increasing. Given the opportunity, nonprofit organisations can devise strategies to respond to this 'new philanthropy', which is emerging throughout the United States and now Australia.

This thesis has reinforced that collective giving is attractive to women; therefore nonprofits can use this knowledge to create a giving mechanism within their organisation that engages women. One such mechanism is the 'donor circle' model, which has many of the same characteristics as a giving circle except that it is created and managed by the nonprofit and the donor circle members fund that organisation exclusively rather than numerous organisations (Andris, 2011; Beeson, 2006; Eikenberry, 2009). A donor circle has the potential of an outreach model and would be particularly beneficial, although not limited to, organisations that do not have a natural constituency (e.g. university alumni year groups) as the outreach model reaches donors through a peer-to-peer approach.

Currently there are five known giving circles operating in Australia and based on the growth of this style of philanthropy in the United States and elsewhere there is reason to believe the number will grow in Australia. The findings from this thesis can be interpreted and applied by Australian fundraising professionals in their relationships with giving circles.

Finally, it is hoped that this thesis will be of use to giving circles as they continue to grow in number throughout the world. I am confident that giving circles wish to have the best possible relationships with nonprofit organisations and that members of giving circles, both established and in the formative stages, will use this detailed analysis of the Impact Austin case as a resource as they will be learning from a giving circle that has grown in number, influence, credibility and impact since it was founded in 2003.

## 6.6 Research Limitations

This thesis focuses on a formal giving circle and the relationships with the nonprofit organisations it has funded. The study is not intended to be predictive or generalisable and neither is it statistical; rather, the qualitative approach uncovers better the range of relationships and the lived experiences of the participants. It is expected, however, that the findings will suggest trends and background that may be important to understanding the relationships that exist between giving circles and nonprofit organisations. As this is a single case study and therefore not generalisable, to overcome this other methods such as document analysis have been used to triangulate the study and strengthen validity (Zainal, 2007). Also identified as a limitation is that this research was conducted in the United States, limiting the generalisability to other countries and giving cultures.

## 6.7 Directions for Future Research

There are various avenues for future research that would continue to confirm, support, extend the existing literature and practice, or provide conflicting views. The research for this thesis was limited to a formal giving circle and the nonprofits it supports; however, a study of the other two types of structures (loose networks and small groups) that includes the perspective of the nonprofit organisations would provide yet a different perspective. Also, as this research was limited to one giving circle in one city an opportunity exists to broaden both the geographical area and the number of giving circles studied.

As identified in this thesis, and supporting Eikenberry and Bearman's study (2009), members of giving circles are increasing their philanthropy both to the giving circle with which they are engaged and also to other causes. An additional area worthy of investigation is to understand what makes those philanthropists different to others; is there a direct correlation between these donors having been exposed to the rigour of a giving circle which impacts the donors' decision-making?

While the literature evidences that giving circles foster a collegial aspect of giving (Eikenberry, 2007b, 2008; Shaw-Hardy, 2009), this peer or group model of giving is not unique to giving circles and it is also evidenced through other group donor mechanisms of giving such as workplaces and service clubs. Both workplace giving and service clubs are an attractive and important source of revenue and advocacy for nonprofit organisations and this area of research is recommended to better understand this broad and growing landscape of collective giving. Lastly, as giving circles are growing in Australia, an Australian-based study of giving circles is recommended to broaden the overall knowledge of the Australian philanthropic environment.

## 6.8 Thesis Summary

This thesis has explored the relationships that exist between Impact Austin, a formal giving circle operating in Austin, Texas, United States, and 10 nonprofit organisations it has provided philanthropic support to. The thesis confirmed that Impact Austin is a classic, formal organisation giving circle, with fairly typical characteristics as defined by Eikenberry (2005). The thesis also highlighted Impact Austin's operating style as being highly structured and disciplined, with a stringent level of accountability required by the nonprofit organisations it supports. The members of this giving circle are not content to engage in the traditional style of philanthropy, seeking to be involved in the organisations they support, educating themselves about philanthropy and issues in their community, and they do this through varying ways of informal and formal learning.

This thesis also concludes that the nonprofit organisations that are involved with Impact Austin do so understanding the level of rigour that will be required of them in the relationship. They also recognise that the benefits that accrue from the relationship far outweigh the challenges of the process. This is supported in the findings from the interviews with the nonprofit representatives, many of whom have applied to Impact Austin for funding multiple times.

In conclusion, this research confirms that the relationship between Impact Austin members and the nonprofit organisations studied for this research adheres to Ostrander and Schervish's (1990, p. 93) social relations framework that posits that philanthropy is a 'two-way interactive relationship between donors and recipients…donors and recipients both give and get in the social relation that is philanthropy'.

# References

Ahern, T. & Joyaux, S. (2008). Keep Your Donors. Hoboken, NJ, USA: John Wiley & Sons Inc.

Andris, M. K. (2011). Motivation through circles: An analysis of women's giving circles on philanthropy in higher education.
ProQuest Dissertations and Theses; 2011. UMI Number: 3452450.

Association Fundraising Professionals. Retrieved May 23, 2013 from http://www.afpnet.org/files/ContentDocuments/AFP_Dictionary_A-Z_final_6-9-03.pdf

Baker-Hallett, S. (2005). Giving Circles Offer a Way to Make a Change. IndyStar.com. Retrieved June 2, 2013 from www.indystar.com/apps/pbcs.dll/article?AID=/20050525/ZONES03/505250353/1023/ZONES03

Baxter, P. & Jack, S. (2008). Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers. The Qualitative Report Volume 13 Number 4 December 2008 544-559. Retrieved June 17, 2013 from http://www.nova.edu/ssss/QR/QR13-4/baxter.pdf

Bearman, J. (2007a). More giving together: The growth and impact of giving circles and shared giving. Retrieved April 20, 2013 from Forum of Regional Associations of Grantmakers: www.givingforum.org

Bearman, J. (2007b). Hosting a giving circle: The benefits and challenges of giving together. Retrieved May 29, 2013 from Forum of Regional Associations of Grantmakers: www.givingforum.org

Bearman, J., Beaudoin-Schwartz, B., & Rutnik, T. A. (2005). Giving circles: A powerful vehicle for women. New Directions for Philanthropic Fundraising, 2005(50), 109-123.

Beeson, M. J. E. (2006). *Women's giving circles: A case study in higher education philanthropy.* Indiana University. *ProQuest Dissertations and Theses,* Retrieved on June 2, 2013 from http://search.proquest.com/docview/305333487?accountid=13380. (305333487).

Bekkers, R. & Wiepking, P. (2007). Generosity and Philanthropy. A Literature Review. Vrije Universiteir Amsterdam, Department of Philanthropic Studies.

Bekkers, R. and Wiepking, P. (2011). Testing Mechanisms for Philanthropic Behaviour. Int. J. Nonprofit Volunt. Sect. Mark., 16: 291–297. doi: 10.1002/nvsm.428

Blau, A. (2005). Why Donors Are Not Investors. Global Business Network and Monitor Institute, members of the Monitor Group. Retrieved May 19, 2003 from www.futureofphilanthropy.org

Bogdan, R. & Biklen, S. (1992). Qualitative research for education: an introduction to theory and methods (2nd Edition ed.). Boston, MA, USA: Allyn & Bacon.

Burk, P. (2003). Donor Centered Fundraising. Chicago: Burk & Associates Ltd.

Burnett, K. (1992). Relationship Fundraising: A Donor-based Approach to the Business of Raising Money. The White Lion Press Limited, 1992

Burnett, K. (2002). Relationship Fundraising - A Donor-Based Approach to the Business of Raising Money (2nd Edition ed.). San Francisco, CA, USA: Jossey-Bass.

Byrne, J. A. (2002, Dec 02). The New Face of Philanthropy. *Business Week*, 82-94. Retrieved June 2, 2013 from http://search.proquest.com/docview/236717277?accountid=13380

Canadian FundRaiser. (n.d.). Retrieved October 21, 2008 from http://www.supportingadvancement.com/vendors/canadian_fundraiser/articles/giving_circles.htm

Clohesy, S. J. (2004). Donor circles: Launching and leveraging shard giving. San Francisco: CA: Women's Funding Network. Retrieved April 7, 2013 from www.wfnet.org

Community Foundations Australia. Retrieved June 9, 2013 from www.communityfoundation.org.au

Australian Community Philanthropy. Retrieved June 9, 2013 from http://www.australiancommunityphilanthropy.com

Cobb, N. K. (2002). The new philanthropy: Its impact on funding arts and culture. *Journal of Arts Management, Law, and Society, 32*(2), 125-143. Retrieved May 20, 2013 from http://search.proquest.com/docview/223934705?accountid=13380

Cook, W. B. (1997). Surveying the Major Gifts Literature: Observations and Reflections Nonprofit Management & Leadership, 7(3), 333-347. San Francisco, CA: Jossey-Bass Publishers.

Creswell, J. W. (1994). Research Design: Qualitative & Quantitative Approaches, London: Sage Publications.

Creswell, J. W. (1998). Qualitative inquiry and research design. Choosing among five traditions. Thousand Oaks, CA: Sage Publications.

Creswell, J. W. (2005). Educational research: Planning, conducting, and evaluating quantitative and qualitative research (2nd ed.). New Jersey: Pearson Education.

Creswell, J. W. (2013). Qualitative Inquiry and Research Design. Choosing among five approaches. (3rd ed.). Thousand Oaks, CA:Sage Publications.

Eikenberry, A. M. (2005). Giving circles and the democratization of philanthropy. Dissertation, University of Nebraska at Omaha.

Eikenberry, A. M. (2006). Giving circles: Growing grassroots philanthropy. Nonprofit and voluntary sector quarterly, 35(3), 517-532.

Eikenberry, A. M. (2007a). Final Report: Giving Circles and Fundraising in the New Philanthropy Environment. Retrieved September 22, 2008 from Association of Fundraising Professionals: www.afp.com

Eikenberry, A. M. (2007b). Philanthropy, Voluntary Association, and Governance Beyond the State Giving Circles and Challenges for Democracy. Administration & Society, 39 (7), 857-882. Sage Publications.

Eikenberry, A. M. (2008). Fundraising in the new philanthropy environment: The benefits and challenges of working with giving circles. Nonprofit Management and Leadership, 19 (2), 141-152.

Eikenberry, A.M. (2009). Giving Circles: Philanthropy, Voluntary Association, and Democracy. Bloomington, IN: Indiana University Press.

Eikenberry, A. & Bearman, J. (2009). The Impact of Giving Together: Giving Circles' Influence on Members' Philanthropic and Civic Behaviours, Knowledge and Attitudes. Retrieved April 17, 2010 from Forum of Regional Associations of Grantmakers: www.givingforum.org

Fernandez, R. (2001). A Rising Tide of Engaged Philanthropy Greater Washington Business Philanthropy Summit. Retrieved May 20, 2013 from http://www.vppartners.org/sites/default/files/speeches/transcripts/A%20Rising%20Tide%20of%20Engaged%20Philanthropy.pdf

Flack, E.D. (2007). Fundraising Toolkit on CD-ROM. Fundraising Institute Australia.

Flack, E.D. (2013). Wanted! A definition of fundraising (Web log post). Retrieved May 23, 2013 from http://www.thirdsectormanagementservices.com/apps/blog/show/23588375

Fredricks, L. (2000). Developing Major Gifts: Turning Small Donors into Big Contributors. Sudbury, MA:Jones & Bartlett Publishers, Inc.

Fritz, J. (n.d.). About.com – Nonprofit Charitable Orgs. Retrieved June 16, 2013 from http://nonprofit.about.com/od/glossary/g/501corporation.htm

Frumkin, P. (2010). The Essence of Strategic Giving. The University of Chicago Press, Chicago.

Frumkin, P. (n.d.). The Balance Between High and Low Engagement. Skoll World Forum. Retrieved May 28, 2013 from http://skollworldforum.org/2006/09/19/the-balance-between-high-and-low-engagement

Girls Giving Grants. Retrieved June 9, 2013 from www.girlsgivinggrants.org

Giving Circles Network: Govern and Grow. Retrieved June 3, 2013 from http://www.givingcircles.org/Govern%20&%20Grow.htm

Hartigan, P. (2013). Skoll Centre for Social Entrepreneurship at Saïd Business School, University of Oxford. (Web log post). Retrieved June 4, 2013 from http://www.huffingtonpost.com/pamela-hartigan/putting-the-venture-back-_b_3345365.html

Havens, J. J. & Schervish, P. G. (1999). Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy. Research Report, Social Welfare Research Institute, Boston College.

Havens, J. J., & Schervish, P. G. (2003). Why the $41 trillion wealth transfer estimate is still valid: A review of challenges and questions. The Journal of Gift Planning, 7(1), 11-15.

Hopkins, K. B., & Friedman, C. S. (1997). Successful fundraising for arts and cultural organizations. Greenwood Publishing Group.

Impact Austin. Retrieved May 30, 2011 from http://www.impact-austin.org

Ingenhoff, D. & Koelling, A. M. (2009). The potential of web sites as a relationship building tool for charitable fundraising NPOs Fribourg, Switzerland. Public Relations Review Volume 35, Issue 1, March 2009, Pages 66–73.

John, R. (2006). Venture philanthropy: the evolution of high engagement philanthropy in Europe Skoll Centre for Social Entrepreneurship 2006. http://eureka.bodleian.ox.ac.uk/745/1/VenturePhilanthropyinEurope

John, R., Davies, R., & Mitchell, L. (2007). Give and let give: Building a culture of philanthropy in the financial services sector. http://www.policyexchange.org.uk/images/publications/give%20and%20let%20give%20-%20dec%2007.pdf

Jonsson, P. (2004). An emerging philanthropic trend: the 'giving circle' *The Christian Science Monitor* / December 30, 2004. Retrieved June 4, 2013 from http://www.csmonitor.com/2004/1230/p01s01-ussc.html

Joyaux, S. (n.d.). A donor-centered organization, your donors, & relationship Building. Mini articles from Simone's web column "Unraveling development," Nonprofit Quarterly. Retrieved April 12, 2013 from www.nonprofitquarerly.org

Katz, S. N. (1999). Where Did the Serious Study of Philanthropy Come From, Anyway? *Nonprofit and Voluntary Sector Quarterly*, *28*(1), 74-82.

Kelly, K. S. (1998). Effective fund-raising management. Hillsdale, NJ: Lawrence Erlbaum.

Kelly, K. S. (2012). Effective fund-raising management. Hoboken: Taylor and Francis.

Key, J. P. (1997). Research Design in Occupational Education, Oklahoma State University. Retrieved April 30, 2010 from http://www.okstate.edu/ag/agedcm4h/academic/aged5980a/5980/newpage21.htm

Klein, K. (2007). Fundraising for Social Change. (5th ed). San Francisco, CA: Jossey-Bass.

Krotz, J. L., & Cantrell, J. (2005, Philanthropy: A new breed. *Town and Country, 159*, 190-198. Retrieved June 1, 2013 from http://search.proquest.com/docview/220684332?accountid=13380

Leat, D. (2007). Just Change- Strategies for Increasing Philanthropic Impact. Retrieved June 4, 2013 from www.acf.org.uk/uploadedFiles/Publications_and.../Just%20Change.pdf

Lindahl, W. E. and Conley, A. T. (2002), Literature Review: Philanthropic Fundraising. Nonprofit Management and Leadership, 13: 91–112. doi: 10.1002/nml.13108.

Luck, M. F., & Evans, G. A. (1992). Making major gifts happen. Fund Raising Management, 23(7), 28-28. Retrieved 18 May, 2013 from http://search.proquest.com/docview/195941812?accountid=13380

MacMillan, K., Money, K., Money, A. & Downing, S. (2005). Relationship marketing in the not-for-profit sector: an extension and application of the commitment–trust theory Centre for Organisation Reputation and Relationships, Henley Management College, Greenlands, Henley-on-Thames, Oxfordshire RG9 3AU, UK.

Mason, J. (2002). Qualitative Researching (2nd ed.). Thousand Oaks, CA: Sage Publications Inc.

McCully, G. (2000). Is this a paradigm shift? Foundation News & Commentary, March/April, pp. 20-22.

McDonald, K., Scaife, W. A., & Smyllie, S. (2011) Give and take in major gift relationships. Australian Journal of Social Issues, 46(2), pp. 163-182.

Mack, N., Woodsong, C., MacQueen, K. M., Guest, G., & Namey, E. (2005). Qualitative Research Methods: A data collector's field guide. North Carolina, USA:Family Health International.

Marshall, C., and Rossman, B. (2006). Designing Qualitative Research (4th ed.). Thousand Oaks, CA: Sage Publications Inc.

Merriam, S. B & Simpson, E. L. (1995). A guide to research for educators and trainers of adults (2nd ed.). Malabar, FL: Krieger.

Moody, M. (2007). Building a Culture: The Construction and Evolution of Venture Philanthropy as a New Organizational Field. December 12, 2007, doi: 10.1177/0899764007310419 Nonprofit and Voluntary Sector Quarterly June 2008 vol. 37 no. 2 324-352.

Moody, S. & Goldseker, M. (2013). Next Gen Donors – Respecting Legacy, Revolutionizing Philanthropy. Johnson Center for Philanthropy. Retrieved 18 May, 2013 from www.johnsoncenter.org

Nathan, A. and Hallam, L. (2009). A qualitative investigation into the donor lapsing experience. *International Journal of Nonprofit and Voluntary Sector Marketing,* 14: 317–331. doi: 10.1002/nvsm.378.

Olsen, M., Keevers, M. L., Paul, J. & Covington, S. (2001) E-relationship development strategy for the nonprofit fundraising professional. *International Journal of Nonprofit and Voluntary Sector Marketing*, 6 (4), pp. 364–373, November 2001 doi: 10.1002/nvsm.378.

Ostrander, S. A. (01/06/2007). "The Growth of Donor Control: Revisiting the Social Relations of Philanthropy". *Nonprofit and voluntary sector quarterly*, 36 (2), pp. 356-372.

Ostrander, S. A. & Schervish, P. G. (1990) Giving and Getting: Philanthropy as a Social Relation. In J Van Til (Ed.). Critical Issues in American Philanthropy: Strengthening Theory and Practice (pp. 67-98). San Francisco: Jossey Bass.

Ostrower, F. (1995). Why the Wealthy Give. Princeton NJ: Princeton University Press.

Patton, M. (1990). Qualitative Evaluation and Research Methods. Beverly Hills, CA: Sage.

Patton, M. (1999). Enhancing the Quality and Credibility of Qualitative Analysis. HSR: Health Services Research 34:5 Part II (December 1999) pp. 1189–1208.

Patton, M. (2001). Qualitative Research & Evaluation Methods. Thousand Oaks, CA: Sage.

Payton, R.L. (1988). Philanthropy: voluntary action for the public good. New York: Macmillan Publishing Co.

Payton, R. L. & Moody, M. P. (2008). Understanding Philanthropy. Its Meaning and Mission. Bloomington, IN: Indiana University Press.

Philanthropy Australia. Retrieved May 18, 2013 from http://www.philanthropy.org.au

Phills, J. A. (2008). Yale Insights. Retrieved June 18, 2013 from http://qn.som.yale.edu/content/how-new-philanthropy-different

Prince, R. A. & File, K. M. (1994). The Seven Faces of Philanthropy. San Francisco, CA: Jossey-Bass.

Rossman, G. B. & Rallis, S. F. (1998). Leaning in the field – an introduction to qualitative research. Thousand Oaks: Sage.

Rosso, H. & Associates. (1991). Achieving Excellence in Fundraising. (1st ed.). San Francisco, CA: Jossey-Bass.

Rosso, H. A., & Tempel, E. R. (2003). Hank Rosso's Achieving Excellence in Fundraising. (2nd ed.). San Francisco: Jossey-Bass.

Rutnik, T. A. & Bearman, J. (2005). Giving Together: A national scan of giving cirles and shared giving. Baltimore, MD: Forum for Regional Association of Grantmakers. Retrieved October 9, 2008 from http://www.givingforum.org/givingcircles/research.html

Rutnik, T. A., & Beaudoin-Schwartz, B. (2003). Growing philanthropy through giving circles: Lessons learned from start-up to grantmaking. Retrieved April 17, 2004 from http://www.abagmd.org/info-url2446/info-url_show.htm?doc_id=199229

Ryan, G. W. & Bernard, H. R. (2003). Techniques to identify themes in qualitative data. Field Methods, Vol. 15, No. 1, February 2003 85–109 DOI: 10.1177/1525822X02239569. Sage Publications Inc.

Sargeant, A. & Jay, E. (2004a). Building Donor Loyalty. San Francisco, CA: Jossey-Bass.

Sargeant, A. & Jay, E. (2004b). Fundraising Management: Analysis, Planning and Practice. NY: Routledge.

Sargeant, A. & Lee, S. (2002). Individual and Contextual Antecedents of Donor Trust in the Voluntary Sector. Journal of Marketing Management; Sep2002, Vol. 18 Issue 7/8, p779-802. Retrieved June 9, 2013 from http://gateway.library.qut.edu.au/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bsh&AN=7407242&site=ehost-live

Sargeant, A., Lee, S. and Jay, E. (2002). Major Gift Philanthropy – Individual Giving to the Arts. Centre for Voluntary Sector Management, Henley Management College. A report commissioned by Arts & Business. Retrieved June 7, 2013 from http://www.aandbcymru.org.uk/uploads/Individual_Giving_to_the_Arts.pdf

Sargeant, A., Shang, J. & Associates. (2010). Fundraising Principles and Practice. San Francisco, CA:Jossey-Bass.

Sargeant, A. & Woodliffe, L. (2007). Gift giving: an interdisciplinary review. International Journal of Nonprofit Voluntary Sector Marketing. 12: 275-307. Doi: 10.1002/nvsm.308.

Scaife, W.A., Williamson, Alexandra, McDonald, Katie, & Smyllie, Susan (2012) Foundations for giving: why and how Australians structure their philanthropy. Queensland University of Technology, Brisbane, QLD. (In Press).

Scaife, W. A., McDonald, K. & Smyllie, A. (2011). Transformational role donor and charity perspectives on major giving in Australia.

Schervish, P. (1997). New Directions for Philanthropic Fundraising: Developing Major Gifts. San Francisco: Jossey-Bass, Number 16, Summer 1997, pp. 85-112.

Schervish, P. G. (2000). The material horizons of philanthropy: New directions for money and motives. Philanthropic Fundraising, 2000: 5-16. Doi: 10.1002/pf.2901.

Schervish, P. (2006). The Moral Biography of Wealth: Philosophical Reflections on the Foundation of Philanthropy Nonprofit and Voluntary Sector Quarterly September 2006 35 No. 3: 477-492, doi: 10.1177/0899764006288287.

Schervish, P. G., & Havens, J. J. (2001). The mind of the millionaire: Findings from a national survey on wealth and responsibility. In New directions for philanthropic fundraising: Understanding donor dynamics (pp. 75-107). San Francisco: Jossey-Bass.

Schervish, P. G., & Herman, A. (1988). Empowerment and beneficence: Strategies of living and giving among the wealthy. Final Report: The Study on Wealth and Philanthropy. Boston: Boston College Social Welfare Research Institute.

Schwandt, T. A. (1994). Constructivist, interpretivist approaches to human inquiry. In N. K. Denzin & Y. S. Lincoln (Eds.), Handbook of qualitative research. Thousand Oaks, CA: Sage.

Schweitzer, C. (2000). Building on new foundations. *Association Management, 52*(10), 28-32. Retrieved from http://search.proquest.com/docview/229307892?accountid=13380

Shang, J. (2008). The effects of social information, social norms and social identity on giving. Indiana University). ProQuest Dissertations and Theses, 151-n/a. Retrieved 15 April, 2013 from http://search.proquest.com/docview/304607795?accountid=13380

Shaw-Hardy, S. (2000). Creating a women's giving circle. Rochester, MI: Women's Philanthropy Institute. Stanford University.

Shaw-Hardy, S. (2009). Women's Giving Circles: Reflections for the Founders. Retrieved 14 March, 2013 from www.philanthropy.iupui.edu

Social Venture Partners. Retrieved 28 May, 2013 from www.svpseattle.org

Sprinkel Grace, K. (2005). Beyond Fundraising : New Strategies for Nonprofit Innovation and Investment (2nd Ed.). Hoboken, NJ:John Wiley & Sons, Inc.

Sprinkel Grace, K. (2008). Donor-Driven Philanthropy – How the Dreams of Donors are Changing Philanthropy (and Redesigning Our Future as Fundraisers). Retrieved 29 May, 2013 from http://www.simonejoyaux.com/downloads/GraceDonorDrivenPhilanthropy.pdf

Sprinkel Grace, K. & Wendroff, A. (2001). High Impact Philanthropy. NY:John Wiley & Sons, Inc. (PowerPoint slides) Retrieved June 18, 2013 from http://webcache.googleusercontent.com/search?q=cache:YQlhXn3lf-UJ:majorgivingnow.org/downloads/ppt/From%2520Cultivation%2520to%2520Steward%2520-%2520CI,GK,MR-FINAL.ppt+&cd=2&hl=en&ct=clnk&gl=au&client=safari

Stauch, J. (2011). Effective Frontline Fundraising. Apress. DOI 10.1007/978-1-4302-3901-7_11.

Strotz, D. Z. & Bigelow, S. M. (2008). Start-Up of a Giving Circle: A Case Study. Dissertations, Theses and Capstone Projects. Paper 17. Retrieved from http://digitalcommons.kennesaw.edu/etd/17

Tapp, A. (1995) Relationship fundraising techniques in charities: Are they used and do they work? Journal of Database Marketing and Customer Strategy Management, 2 (4). pp. 328-343. ISSN 1741-2439.

Taylor, M. A. & Shaw-Hardy, S. (2006). The Transformative Power of Women's Philanthropy. San Francisco, CA: Jossey-Bass.

Tempel, E. R., Seiler, T. L., Aldrich, E. E., & Rosso, H. A. (2011). Achieving excellence in fundraising (3rd ed.). San Francisco: Jossey-Bass.

Thomas, D. R. (2003). A general inductive approach for qualitative data analysis. Retrieved June 17, 2013 from http://www.fmhs.auckland.ac.nz/soph/centres/hrmas/_docs/Inductive2003.pdf

Wagner, L. (2002). The 'new' donor: Creation or evolution? International Journal of Nonprofit and Voluntary Sector Marketing. Volume 7 Number 4.

Wiepking, P., Scaife, W. and McDonald, K. (2012), Motives and barriers to bequest giving. Journal of Consumer Behaviour, 11: 56–66. doi: 10.1002/cb.369 DOI: http://dx.doi.org/10.1017/S0034670500036925 Published online 05 August 2009.

Woods, M. (n.d.). Interviewing for research and analysing qualitative data: An overview. Retrieved June 17, 2013 from http://owll.massey.ac.nz/pdf/interviewing-for-research-and-analysing-qualitative-data.pdf

Yin, R. K. (1984). Case study research: Design and methods. Newbury Park, CA: Sage.

Zainal, Z. (2007). Case Study as a Research Method. Jurnal Kemanusiaan, bil.9, Jun 2007. Retrieved June 17, 2013 from http://eprints.utm.my/8221/1/ZZainal2007-Case_study_as_a_Research.pdf

# Appendices

## Appendix 1: Invitation to participate in research

The Australian Centre for Philanthropy and Nonprofit Studies (CPNS) at Queensland University of Technology (QUT) is pleased to invite you to participate in a landmark research project on giving circles and their relationships with nonprofit organisations.

*The study:* This case study project involves separate discussions with both Impact Austin members and nonprofit organisations who work with them. Overall, it seeks to identify factors such as: the relationships between giving circles and nonprofit organisations; the range of experiences of giving circles and nonprofits working together; and how best can giving circles and nonprofits work together.

This is the first academic study in Australia on this topic and hopefully its results will benefit giving circles and nonprofit organisations, people thinking about joining or starting giving circles.

I would be delighted if you would be able to participate by providing a personal interview about your experiences. Individual interviews will be held during October and November in person. I will be in Austin, Texas during mid January and early February 2011 and I would love the opportunity to speak with you in a face-to-face interview. Duration of the interview will be approximately 90 minutes. Should you be interested and available, the interview date and time will be confirmed in September.

Full information about the project and how privacy will be protected is attached in the form of a Project Information Sheet and a Consent Form, which you would be asked to sign should you decide to participate.

**If you would like to indicate your interest, contact Lesley Ray, 61 7 3163 2716 or email lesley.ray@bigpond.com or lesley.ray@mater.org.au.**

Meantime, I would be delighted to answer any other queries by email. I very much look forward to your involvement if possible. Your participation will add to the depth of the data and its overall value.

Thank you

Lesley Ray Researcher
Email:lesley.ray@bigpond.com or
lesley.ray@mater.org.au
Tel. 61 7 3163 2736
Fax. 61 7 3163 1844

## Appendix 2: Interview Questions – Impact Austin Participants

1. How long have you been a member of Impact Austin?
2. Could you tell me the story of how you became involved?
3. Have you been involved with any other giving circle? If so, how do they compare?
4. What is the process for nonprofit organisations to receiving funding from Impact Austin?
5. How would you describe the relationships between Impact Austin and the nonprofit organisations they support?
6. What is the involvement that you have with the nonprofit organisations supported by Impact Austin?
7. What are your expectations of the organisations when they have received Impact Austin funding?
8. In your opinion, do the organisations meet these expectations? If so, what specifically do they do? If not, what are the expectations that are not being met?
9. How formal is the evaluation process?
10. What advice would you give to nonprofits about working with Impact Austin?
11. What do you recommend to other fundraisers as ways to attract funding from giving circles?
12. Is there anything else you would like to add about the relationships with nonprofits that you have experienced since being a member of Impact Austin?

### Demographic Information

Age: ___________

Occupation: ____________________________

## Appendix 3: Interview Questions – Nonprofit Organisations

1. When did you receive funding from Impact Austin?
2. What was the process for applying for funding?
3. Is this the first time you have received funding from Impact Austin? If not, when did you receive funding previously? What has changed since the first time?
4. Have you worked with more than one giving circle? If so, how do they compare?
5. What do you think it is about your organisation that is attractive to Impact Austin and its members?
6. What strategies did you use to cultivate giving from Impact Austin?
7. Do you see Impact Austin members as different from other types of donors?
8. How would you describe their characteristics?
9. How are the members of Impact Austin involved with your organisation?
10. Do you relate differently to these funders?
11. How do you steward the relationship with Impact Austin?
12. Do you have access to individual members of Impact Austin?
13. How has funding from Impact Austin influenced or impacted your organisation, either positively or negatively?
14. What do you recommend to other fundraisers as ways to attract funding from Impact Austin?
15. What advice would you give to giving circles about giving to, and working with, your organisation?
16. Is there anything else you would like to add about the funding you have received from Impact Austin or your experience with this group?

**Organisation Information**

Sector: ________________________

Position: _______________________